



CultureFit
Technology Staffing

Expense Savings or Loss - Using a Technology Recruitment Firm?

A Technology Recruitment Business Case Template

**Not enough hours to manage all the
upcoming new hires?**

**Use this invaluable step-by-step process to develop a business case
for the addition of technology recruitment support.**

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A Technology Recruitment Business Case Template

Your company is growing, and with that growth the technology support needed also continues to grow to keep pace with the operational demands. The most common positions include, but not limited to: IT Helpdesk, New product Development, Existing Product Maintenance and upgrades, Network Maintenance and Optimization, and Security and Encryption to name only a few. The demand to fill and hire new technology positions adds new budgeting challenges to determine how best to support the demand. It's not unusual that our CultureFit consultant team is asked how other companies justify the addition of our services – it's a great question, and we have an answer that we've broken down into easy to follow steps:

1. Determine Internal Costs, both time and manpower

Average Time to Fill = Total Number of Days of Open Jobs/Total Number of Jobs Open

Using the following variable outline to calculate the numerator:

- Time to develop a job description and gather approvals
- Time to set-up and advertise an open position in all channels
- Time to identify acceptable candidates
- Time to prep for interviews
- Time to complete all interviews
- Time to complete background checks (if needed)
- Time to call and gather references
- Time to create and extend an offer
- Time for candidate to accept offer



Internal Costs = Average Time to Fill x Average hourly rate by all hiring participants

2. Determine External Costs – the actual out-of-pocket costs:

Estimate actual out of pocket costs by adding the following variables that apply to your unique business:

- Posting & Advertising
- Pre-Screening Assessments
- Background Checks
- Drug Tests
- Job Fairs
- Travel Cost of Candidates
- Relocation Costs
- Other



Using the above data:

$$\text{Cost per Hire} = \frac{[\text{Total External Costs}] + [\text{Total Internal Costs}]}{\text{Total Number of Hires}}$$

3. Determine Cost Impact Due to Position Vacancy

Steps 1 through 3 provides a close estimate of the cost to fill the vacancies, however there's still a critical calculation that needs to be completed to



provide a true assessment – *The cost of not filling the position*, as all companies apply this metric to determine headcount efficiency. The following breaks down an easy method to determine the revenue risk by having vacant positions.

1. **Find Annual Revenue Generated per Employee** = Annual Company Revenue / Number of Employees
2. **Calculate Weekly and Daily Revenue per Employee** = Annual Revenue Generated by Employee / 52 weeks or 365 days (or total number of days/weeks per year spend generating revenue)
3. **Determine Revenue Lost per Unfilled Job** = Daily Revenue per Employee X Average Days Positions Unfilled

Using the above data:

**Total Revenue Lost for All Open Jobs =
Revenue Lost per Unfilled Job X Number of Open Jobs**

Is a skilled recruitment resource the right solution?

Now juxtapose the calculations above against the cost of hiring an outside recruitment resource. There are three key metrics to consider:

- 1) Time to Fill Costs
- 2) Time to Hire
- 3) Revenue Gained by Accelerating the Placement Process

To complete the full assessment, gather the following variables:

1. What “time to fill” costs will the recruiter absorb?
2. How many open positions can the recruitment firm search simultaneously?
3. What are the average number of days needed to fill a position?
4. What are the placement success rates?
5. What is the average retention rate for filled positions?



Next determine the amount of time available by your existing HR or recruitment team:

1. **Total manpower hours needed to fill an open position** = The number of open positions x Average time to fill a position

Example: 10 open positions X 30 hours to fill a position = 300 hours

2. **Time to fill all available positions (in weeks)** = Manpower hours needed to fill an open position/ weekly number of available recruitment hours

Example: 300 hours/25 available hours per week = 12 weeks to fill all positions

Finally, run the comparative by utilizing the above data to determine the true monetary value to your business:



3. **Time to fill all available positions (in weeks)** = Manpower hours needed to fill an open position/ weekly number of available recruitment hours

Example: 300 hours/50 available hours per week = 6 weeks to fill all positions

Revenue Gained by Using Recruitment Support =

Time to Fill X Weekly Revenue per Employee

Example: 6 weeks X \$5000 = \$30,000

Using the above scenario, the recruitment firm can accelerate the hiring process in half the time as an internal recruitment effort. By doing so, the recruitment resource also mitigates lost revenue. Although this is a non-subjective approach to assessing the monetary value, there's also the subjective consideration of retaining a recruitment resource such as CultureFit that's specialized in

technology recruitment, functions as a partner resource vs. a vendor resource, and acts as an extension of your internal hiring team. Want to learn more about why we're trusted by so many businesses throughout the Greater Chicagoland area? [Let's connect.](#)

About [CultureFit](#)

CultureFit and Advance Search bring a combination of over 25 years of IT Recruitment; entrusted to hire and place IT professionals throughout the Greater Chicagoland and Milwaukee area. Each year, they're charged to recruit, negotiate, and place 100's of open positions with quality talent that meet skill set requirements as well as compliment an organization's culture. Their unique position has afforded them the opportunity to identify hiring trends from both the organization and the talent's perspective.

