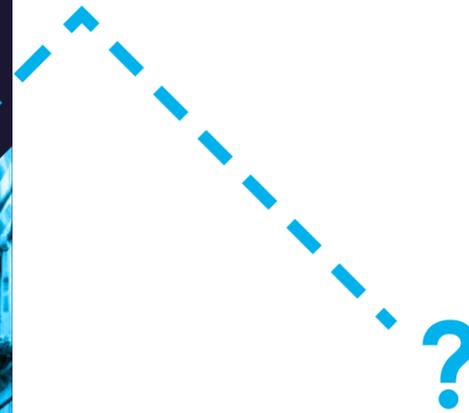
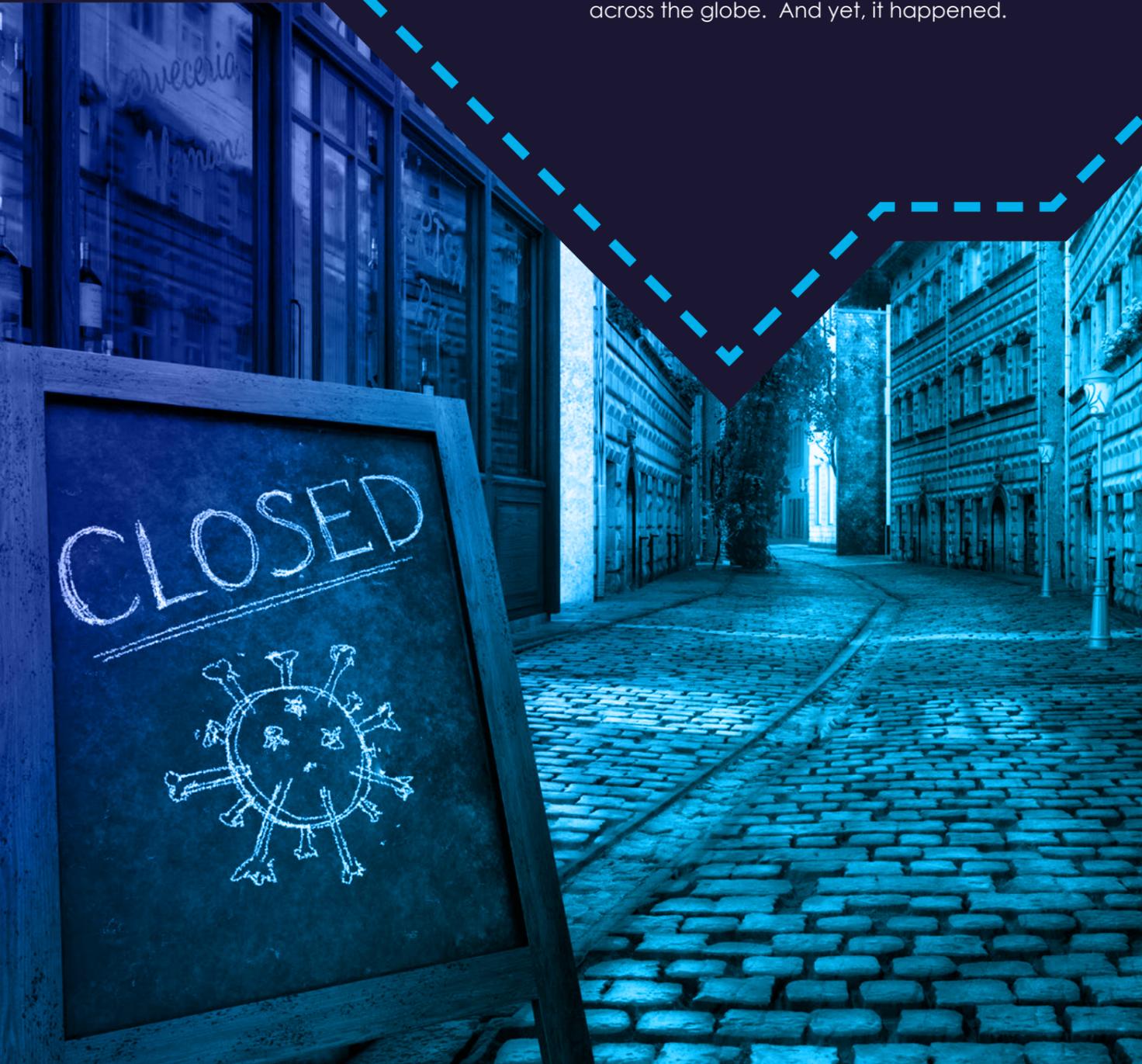




How KPIs should be powering your 3-year plan in the recruitment sector

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It seems fair to assume that the vast majority of businesses constructing 3-year plans in 2018 or 2019 wouldn't have foreseen, as a likely scenario for 2020, whole countries going into lockdowns across the globe. And yet, it happened.



This highlights a challenge: that a 3-year plan can never be set in stone. Because the unexpected can happen. And every so often, what happens is so unexpected, it's almost unimaginable.

So, even the best laid plans may have to change. But this, of course, doesn't mean we shouldn't make plans. It just means that we need to be clear about which metrics are most critical to our business, and what leeway there is for flexibility when circumstances change.

Defining Key Performance Indicators

In the recruitment industry, KPIs typically fall into three areas:

Financial

Operational

Customer Related

Recruitment industry KPI categories

When we define our KPIs, it's important to be sure that the performance we are measuring is considered within the context of our relationships with each of our stakeholders, including customers and employees¹.

We also need to be aware of any potential dissonance between the higher level of risk that c-level executives may tolerate across a portfolio of business units and what more junior business unit leaders may be willing to accept at greater personal risk².





Stakeholder satisfaction

When we think about stakeholders for a recruitment company, customers fall into two areas: clients and candidates. While their needs and relationship with the company may be different during each hiring experience, both need to be satisfied, for good customer satisfaction and net promoter scores to be achieved and repeat business or word-of-mouth recommendations won.

In many ways, employee-related metrics should be among the most straightforward to monitor. After all, we are in regular contact with colleagues, and communicate about a range of topics. And yet, some organisations do forget to think about employees as stakeholders when developing their KPIs¹.

The 3-year plan

A critical part of the plan is a vision. What you want to have achieved in 3 years' time³. Keeping this vision in mind can help restore focus if things do not go as planned. Your original chosen method of how to get there may change, but the end point doesn't necessarily have to.

Many organisations are reported to lack a clear vision for their data and analytics strategies⁴. By not fully utilising the relevant data they could be analysing to make data-driven decisions, there is a good chance they may be missing opportunities. Companies focusing on how best to analyse and act upon data collected could gain meaningful competitive advantage.

Setting realistic targets for your KPIs, and appraising them regularly, can help keep the company on track. It can also give an early warning of problems that may arise along the way.



Adjusting the plan

Now it's one thing to measure KPIs. Another thing entirely to analyse the data and understand what the KPIs are telling us. Knowing when, why, and how a plan needs to be adjusted is a key part of driving the business forwards.

Make sure you understand what would happen to your business if you didn't invest in it or instigate new initiatives; what the consequence of sticking with the current momentum would be². And then work out how to act.

Financial

- Pre-tax profit
- Aged debt
- Net fee income (NFI)
- NFI per fee earner
- % on-target fee earners
- Timesheet hours

Operational

- Live jobs
- Active workers
- Placement numbers
- Job fill %
- # first interviews booked
- Booked perm fees

Customer Related

- Customer satisfaction score
- Net promoter score
- Target client converted to customer %

Recruitment industry KPI categories



For the performance monitoring part of a 3-year plan to be effective, it's important to be able to view the data and drill down into it quickly and easily. Having a dashboard that allows you to see all of the KPIs relevant to your plan, regardless of which application they have been generated in, is an invaluable way to streamline your processes, saving time and money, and enabling you to move quickly to gain competitive advantage.

However, one survey suggested that although many users and analysts could create analytical dashboards using self-service applications, only 44% were able to access appropriate data for the reports, and less than one in five could track data to its source, which eroded confidence in the analyses⁵.

Rather than going down this uncertain self-service route, it makes far more sense to have dashboards set up professionally, ensuring that the correct data sources are interrogated for each of the KPIs.



Trust in your data and analyses is paramount

Where setting up dashboards for monitoring KPIs is concerned, trying to do-it-yourself is false economy. It is far more efficient to have important dashboards configured by experts. Why ask employees to waste time struggling to find data to set up a report in which they will not have full confidence? Experts will understand where to find the right data in the most appropriate format, and they know how to ensure it interfaces correctly between your legacy systems, applications, and the dashboard.

Your dashboard. The overview of your performance data. The essence of your organisation's 3-year plan.

Whether it's time to check your data and adjust your current 3-year plan, or rip up your old one and start afresh, make sure your future decisions are driven by information and analysis. Select the most effective key performance indicators for your business and ensure they are monitored regularly.

Then use the power of your data and your KPIs to propel your business past the competition and aim towards your future vision.

Contact us for more information:

<https://embracent.com/contact/>

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