

Comparing Your Choices for Staffing or Recruiting Software Deployment to Get the Best TCO/ROI

About this paper

This paper is designed to provide staffing and recruiting management an overview of the different methods for deploying staffing and recruiting software and their relative pros and cons.

On-Demand Software as a Service? Enterprise Self Hosting? Managed Services? Your decision on HOW you deploy your recruiting or staffing software can mean the difference between dollars saved or dollars wasted.

When you begin looking at new recruiting or staffing software to solve business problems and improve your operations, it's pretty easy to get caught up in comparing features, benefits, bells, whistles, prices and costs of the different offerings. However, the method you choose to deploy your new software throughout your organization plays a big role in the total cost of ownership (TCO) of that software, as well as its return on investment (ROI) for you.

So, how do you go about choosing the best deployment method for your firm?

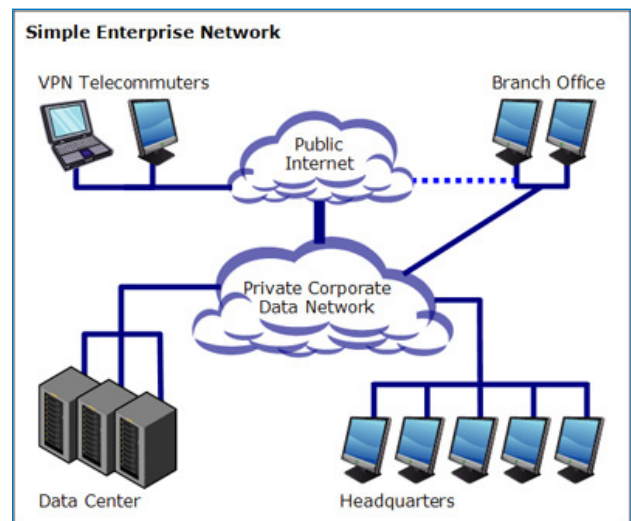
In this article we'll briefly compare the pros and cons of the three software deployment methods available to help your decision process on this critical subject.

Research firm Gartner estimates that the annual cost to own and manage traditional "on-premise" software applications can be up to four times the initial purchase price.

Enterprise Software Deployment

Enterprise software deployment is the most traditional method of deploying recruiting or staffing software throughout an organization. Enterprise (sometimes called self-hosting) deployment means that you buy the software as a licensed product and purchase and own all of the hardware, servers, power systems, backup systems, communications, and other infrastructure at your location. You are completely responsible for hiring and

supporting IT staff to handle the ongoing maintenance of your hardware, software, and infrastructure. In addition, you'll pay for software maintenance and support from your vendor, which typically runs about 20% of the software license cost, each year.



Pointwing Offers Software Deployment Options to Match Business Needs

In the world of staffing and recruiting, there is no such thing as “one size fits all”. The start-up firm with one line of business that began with just a few users may grow rapidly into a powerhouse with far-flung offices and many different lines of businesses. Likewise, there may be other considerations that drive your decision on software deployment – whether it is your cash-flow or tax breaks that may be available on IT purchases.

To give your own dynamic firm the greatest possible flexibility, VCG is a rarity in staffing and recruiting software vendors, as all of its products, such as Pointwing recruiting software, can be deployed as Enterprise, Managed Services, or Software as a Service.

This kind of flexibility recognizes the changing nature of your business. For example, you may initially desire to fast-track your business operations using VCG’s SaaS recruiting software deployment, then later transition to Managed Services or Enterprise deployment when you’ve reached a certain point in your growth. Again, how you deploy your software is totally dependent on your business strategy for your mission-critical IT needs.

Contact us for details and assistance to help you determine what will work best for you.

These costs add up over time. Research firm Gartner estimates that the annual cost to own and manage traditional “on-premise” software applications can be up to four times the initial purchase price.

Ownership of the software license and the IT infrastructure gives you some clear advantages in some areas. Specifically, you have complete control over your data and its management at all time. This is an important consideration, especially where certain regulatory compliance issues are involved. Also, if your firm already has an experienced IT staff and infrastructure in place, you can leverage those resources to add another mission-critical application to their plate to support and maintain. What’s more, if extensive customizations, configurations and integrations are necessary, then Enterprise software deployment may have an edge for your staffing and recruiting business.

Despite those advantages, Enterprise software has some definite drawbacks as well.

Right at the top of those disadvantages is cost. You’ll have far greater upfront costs to deploy an Enterprise application. Everything from the software license itself to the hardware, IT staff and related costs are higher. While these costs are somewhat mitigated over time, the TCO for Enterprise applications is higher than that of SaaS applications.

In the end, according to research by the Forrester Group, Enterprise applications deliver the most effective TCO only in larger firms with 250 or more users that have specific and well-defined strategic needs for on-premise software deployment.

Managed Services Software Deployment

Managed Services recruiting and staffing software deployment offers you a hybrid approach to staffing and recruiting software deployment. It delivers your software to you using SaaS-like on-demand technology; using software that you license/own on servers that you license or own. The difference is that your software and hardware are hosted, supported and maintained by your vendor at their location.

Managed Services hardware used for your software may be a dedicated physical server or a more efficient virtual private server or VPS. A virtual private server (also referred to as Virtual Dedicated Server or VDS) is a method of partitioning a physical computer server into many servers using software such that each has the appearance and capabilities of running on its own dedicated machine. Each virtual server can run its own full-fledged operating system, and each server can be independently rebooted.

Managed Services deployment offers you the tax benefits of ownership combined with fixed costs for hardware and expert IT software support and maintenance. In fact, a Managed Services recruiting software deployment is often done through a state-of-the-art data center with support and infrastructure resources far beyond the capabilities of all but the largest organization, adding an additional level of security and assurance. These fixed costs replace the variable costs and related administrative burdens of employing your own internal IT staff along with hardware and other IT-related expenses.

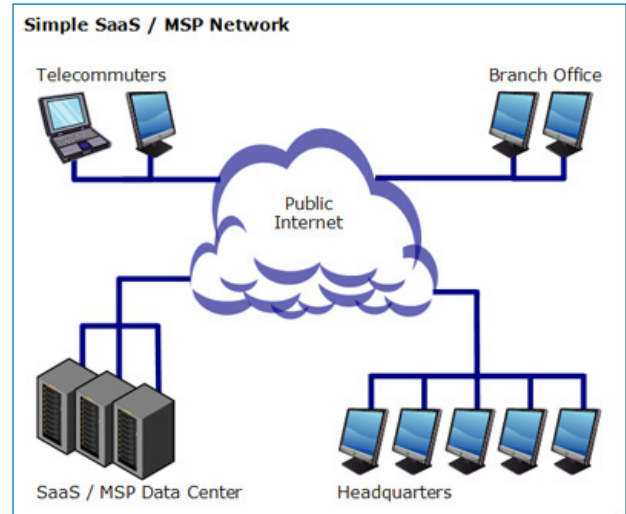


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These factors help Managed Services recruiting software deployment deliver improved TCO over Enterprise deployments. As a result, Managed Services deployments can be effectively implemented in firms with 100 or more users.

Software as a Service (SaaS) Software Deployment

Also called On-Demand software, SaaS employs a subscription-based model; you subscribe to the recruiting software, which resides on servers owned and operated by your software vendor at their location. SaaS differs from the Application Service Provider offerings of just a few years ago, as SaaS software applications are designed from the ground up to leverage Web integration and communications technologies and standards. You use the software over an Internet connection using either a Web browser or Smart Client while your vendor is responsible for any and all ongoing hardware and software maintenance.



As a staffing and recruiting software deployment method, SaaS offers some very clear advantages over both Enterprise and Managed Services deployments. Especially for smaller firms with fewer than 100 users.

Chief among those advantages is cost. SaaS recruiting software is all-inclusive, with software, hardware, support, infrastructure and maintenance costs all rolled into the subscription price. Software subscribers can be added or deleted as needed, as market demands or economic conditions change. Further, SaaS software implementations can be very rapid, and upgrades are automatic, which increases the speed with which SaaS applications can deliver business benefits.

Modern SaaS applications are also going head-to-head with Enterprise applications in terms of customizability and integration capabilities, further enhancing their ROI and TCO. At the same time, they are able to offer higher levels of data security and control than is commonly available to smaller firms.

Perhaps most significantly, SaaS recruiting and staffing software deployments virtually eliminate IT administrative burdens that are often the Achilles heel for smaller firms with fast-growth potential. With these clear advantages, it is not surprising that a recent survey of companies by the Aberdeen Group found that 70% were looking at or planning to use SaaS.



Conclusion – and the winner is...

While the business needs of each staffing and recruiting firm can vary widely, the growing body of research on software deployment methods suggests this rule of thumb:

- Under 100 users – SaaS offers the best TCO/ROI.
- 100 to 250 users – SaaS or Managed Services offers good TCO/ROI and flexibility.
- 250 or more users – Managed Services or Enterprise deployment may offer the best combination of TCO/ROI and use of existing IT resources

In the final analysis, the method you choose for software deployment is only one piece of the puzzle that has an impact on your TCO/ROI. Importantly, the main rule still applies: Your software must increase revenue or save money or save time. If the recruiting or staffing software chosen cannot be quantified (explicit ROI) or rationalized (implicit ROI) to one or more of these, it should not be deployed.

END

RESOURCES:

Microsoft: [Use ROI Analysis for Business Software Investments](#)

Forrester: [ROI of SaaS on Premise](#)

VCG: [Software as a Service for Staffing and Recruiting Software](#) explores SOA in the context of how IT departments are managing increasingly complex IT portfolios.

About VCG

VCG provides comprehensive staffing and recruiting solutions that power success. Since 1976, VCG has helped hundreds of companies worldwide achieve operational excellence by streamlining their unique business processes and accelerating finding and placing the people most likely to thrive. VCG and Pointwing are registered trademarks of VCG, LLC.

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