

Recruitsoft a Winning Candidate for HR

By Paul Rubens

May 23, 2003

Ubiquity is everything to Recruitsoft, a San Francisco-based maker of enterprise staffing software.

Its application is used by 26,000 recruiters and 140,000 hiring managers at many of the world's largest companies, including Hewlett-Packard, Dow Chemical and Gillette as well as by internal and external candidates for positions at those companies. The Web-based software is accessible by any authorized person, inside or outside the organization, anywhere.

The software enables recruiters and managers to create candidate profiles, prescreen candidates according to preset criteria, and provide centralized databases of candidate and employee profiles. It also provides a platform to match qualified candidates to new vacancies. Other modules allow external and internal job seekers to apply for positions.

How Do You Become Ubiquitous?

How does a company best deploy an application like Recruitsoft to users in offices on different continents, to employees working at home, and to candidates who may have had no previous contact with the company? That is, what's the best way to make an application ubiquitous?

The answer is: by building the application from the ground up using a Web-native architecture, Louis Tetu, Recruitsoft's chairman and CEO, told ASP news. Recruitsoft software is built in Java using a single instance of its underlying Oracle database running from a data center in New York City, and its various modules are accessed from around the world using standard Web browsers.

Aside from ubiquity, there are several other good reasons for offering Recruitsoft as a Web-native app, Tetu said. "HR is a business service. By offering Recruitsoft on an ASP basis we enable HR to focus on HR, not on systems," he said.

Equally importantly, the Web-native approach means that the application can scale on demand. HR directors can try Recruitsoft on whatever scale they like, then roll it out globally if they choose to do so on almost any timescale.

A final benefit of the Web-native approach is that with all customers' data held centrally, individual customers are able to benchmark their own productivity against aggregated (and therefore anonymous) data from all Recruitsoft customers. The data is analyzed and compiled by iLogos Research, an online HR consultancy acquired by Recruitsoft in 1999.

The Code Remains the Same, Customers Needs Don't

Although the Recruitsoft application is offered to everyone as a homogenous, uncustomized product, the company recognizes that customers have different needs. "Configurability is critical," Tetu said. "Our background is in supply

Recruitsoft at a Glance

- Headquarters: San Francisco
- R&D center: Quebec City, Canada
- Founded: 1999
- Clients: 125
- Main business activity: Enterprise staffing software delivered as Web-based service
- Target market: Large, global corporations
- Employees: 380, including 200 developers

Financial:

- Privately funded. Investors include Bain Capital Ventures
- Actual revenue not disclosed, but reports it became profitable in Q4 2002

chain management, so we are familiar with configurable workflows. If you take a big organization, it is likely to be diversified and dispersed and it will have different processes to talk to different types of employees." Recruitsoft configuration is carried out by customers using self-serve tools, without affecting the underlying application.

In common with many emerging Web-native applications, Recruitsoft's professional services team uses a standard XML toolkit and Fairfax, Va.-based webMethods middleware to provide integration with HR software from most large vendors including SAP, Oracle, PeopleSoft, Lawson and ADP. Professional services account for about 25 percent of the company's revenues.

The remainder of its income comes from recurring subscription revenues, but the way the company charges for its product is unusual in the ASP space: instead of charging per user or per transaction, the company makes informed assumptions about staff attrition rates in different industries and simply charges on a per-employee-per-month basis.

Growing Beyond the U.S.

Recruitsoft has a network of sales offices in North America, Europe, and in Singapore in the Asia-Pacific region. The product is available in English, German, French, Italian, Dutch and Spanish but, despite this, 85 percent of customers are based in the United States. Tetu estimates that Europe is about 18 months behind the U.S. in the technology adoption cycle. Underlying its belief that the European market will grow, Recruitsoft opened a U.K. office in March.

The company also supplies its application to Fidelity Employer Service Co., which resells it under its own brand to its own customers. ASPs acting as meta-ASPs — by supplying their application to other service providers — is becoming increasingly common as a way of generating new revenues. Tetu said he believes this will continue to proliferate. "I think it is inevitable that we will sell our application to other outsourcers."

What's in a Name?

Perhaps the most striking thing about Recruitsoft is that, unlike most Web-native software suppliers, there is almost no mention of the ASP model anywhere in its literature or on its Web site. Customers, Tetu said, are simply interested in the lower costs and faster recruitment cycle times that Recruitsoft says it has documented for its customers. "Our focus is on expertise and knowledge, and technology simply supports that. The driver for our software is faster, better, cheaper."