

# DiscoverMe: Building the Business Case for Employee Skills and Expertise Classification

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*A DiscoverMe White Paper*

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## Executive Summary

DiscoverMe is a talent profiling application enabling simple and consistent employee skills and expertise classification and search within an enterprise. There are three primary areas where DiscoverMe delivers hard ROI for its users: employee engagement and retention, employee productivity, and increased revenue. A sample company with 10,000 employees that deploys DiscoverMe and sees just a small benefit could save:

- \$367,000 per year in hiring costs
- \$408,000 per year in salary for disengaged employees
- \$1,200,000 per year wasted salary costs wasted on employees searching for information

In total, DiscoverMe can help a company with 10,000 employees save nearly two million dollars each year. When combined with soft benefits such as improved information discovery, collaboration, and team building, DiscoverMe is an easy decision.

## Employee Engagement

Gallup's latest "State of the American Workforce" reports that a record 47% of the workforce says now is a good time to find a quality job, and more than half of employees (51%) are searching for new jobs or watching for openings<sup>i</sup>. Although this report is for the United States, the same challenge exists globally. If you aren't working to actively engage employees in your organization, you are at risk of losing valuable employees. Turnover is expensive. According to the Dale Carnegie 2017 Employee Engagement survey, \$11 Billion is lost annually in the United States due to employee turnover. According to the Society for Human Resources, the average cost to hire a new employee is \$4,129<sup>ii</sup>. These are simply the administrative hiring costs and does not even account for the costs to train and onboard that employee. These are significant costs and stemming turnover is a hard ROI for tools that increase employee engagement. The Corporate Leadership Council reports that highly engaged employees are 87 percent less likely to leave an organization.

The average turnover rate across organizations is 17.8%. In an organization with 10,000 employees, this means 1,780 employees will turnover each year.

In an organization with 10,000 employees, reducing turnover by just 5%, which means keeping 89 employees that otherwise would have left, will save that company \$367,481 per year in hiring costs alone.

If you think this sounds bad, the cost of a disengaged employee is even worse. Mclean & Company estimates that a disengaged employee costs a company 34% of that employee's salary. It gets worse: Paychex, in its recent whitepaper "Improving Employee Performance," reports that 1 in 5 employees are disengaged<sup>iii</sup>. In an organization with 10,000 employees, this means 2,000 disengaged employees. Assuming an average salary of \$60,000, this company is wasting \$40,800,000 on disengaged employees. Implementing a program to that effects just 20 of these employees, or 1%, in a positive manner would save \$408,000 per year.

These numbers clearly show why employee engagement is a hot button issue for most organizations. Engagement has a direct impact on retention and loyalty. Gallup's recent State of the American Workforce report breaks employee engagement into four categories; Basic Needs, Individual Needs, Teamwork Needs, and Growth Needs. DiscoverMe addresses each area.

Simply installing DiscoverMe will not improve engagement; however, knowing what skills employees currently have, or would like to obtain, gives management the information to effectively engage employee's basic needs, individual needs and growth needs. Further, effective expertise search in an organization is critical to teamwork across the organization and allows employees to recognize each other providing valuable expertise.

## Improve Employee Productivity

"Organizations need to leverage the full potential and knowledge of their global workforce despite the fact it can be tough to do so across geographically diverse operations. When employees can collaborate and share knowledge, they build organizational creativity and innovation. They must easily be able to find expertise and build their own individual network to be more successful in their jobs. Peer-to-peer communication across borders is essential and further builds a global mindset when such communication is facilitated." Sierra-Cedar HCM Best Practices Report<sup>iv</sup>

Are you spending money on content management and enterprise search? Most companies invest in enterprise search because the cost of employees not able to find information is significant. Many reports agree that approximately 20% of a knowledge worker's time is spent looking for information<sup>v</sup>. For a knowledge worker with a salary of \$60,000 per year, that means a cost of \$12,000 per year per employee. Documents are an important source of information, but sometimes finding the right person to answer your question can be significantly easier and faster. People tend to have much more useful information in their heads than even the best information management systems.

An organization with 10,000 employees who have an average salary of \$60,000 would save \$1,200,000 per year by simply reducing the amount of time those employees spend looking for information by only 1%.

DiscoverMe's talent profiles and expertise search unleashes the previously invisible expertise of every team member in an organization.

## Increased Sales

An employee skills and expertise inventory can help you close sales. Particularly if you are a services organization, your human capital is your product and being able to understand and present a complete view of that human capital is **the** competitive advantage. Imagine being able to tell your customers that you have 150 employees with AngularJS experience and 30 of them also speak Spanish. Show your

clients how you can draw from your entire organization to assemble teams with the skills that precisely match the project requirements. It's a powerful sales tool.

Enabling your sales team to find the right people to engage to assist with opportunities can help sales be more responsive to opportunities. Staffing existing projects with the right skills can help account management grow existing customers.

Even product centric organizations can increase sales through better employee collaboration. Sales teams across regions can connect with those who have the expertise for their product line. Teams can collaborate on best practices and more quickly and accurately reply to client questions that others may have fielded before.

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<sup>i</sup> <http://news.gallup.com/reports/199961/state-american-workplace-report-2017.aspx>

<sup>ii</sup> <https://www.shrm.org/about-shrm/press-room/press-releases/pages/human-capital-benchmarking-report.aspx>

<sup>iii</sup> Paychex. "Improving Employee Performance - Helping Workers Step Up Their Game." 2011

<sup>iv</sup> "Sierra-Cedar Global Human Capital Management Best Practices White Paper" by Lexy Martin and Stacey Harris, Vice Presidents, Research and Analytics at Sierra-Cedar

<sup>v</sup> <https://www.cottrillresearch.com/various-survey-statistics-workers-spend-too-much-time-searching-for-information/>