

NUCLEUS
RESEARCH

SCALING UP ROI WITH PLUM

ANALYST

Joseph Arocha

THE BOTTOM LINE

Plum is intended to scale with an organization which opens the door for organizations to expand their implementation and improve their ROI over time. The solution offers both talent assessment and talent management in separate offerings but the combination of the two capabilities in its full-suite Talent Assessment Platform enables organizations to compound the benefits of enhanced talent acquisition and management. Nucleus completed an ROI case study on Scotiabank's pilot deployment of Plum for its campus hiring, with specified benefits highlighting the proof-of-concept of the project and its ability to increase value of the solution by expanding its scale and functionality.

OVERVIEW

Scotiabank's initial investment in Plum technology was just over \$100,000 and it achieved a yearly cost savings of \$280,000, resulting in a three-year ROI of 182 percent and a payback period of just over six months. In this time, the organization was also able to increase the number of women hired by 50 percent and visible minorities by 60 percent. From there, Scotiabank's costs lowered to its yearly licensing fee while the benefits of its on-campus recruiting efforts continued to be experienced.

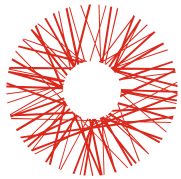
THE VALUE OF EXPANDED INVESTMENT IN PLUM

While the benefits of Scotiabank's implementation of Plum were substantial, it is important to note that the deployment was of a pilot version of Plum rather than a full-scale implementation. The distinction here is that Scotiabank limited its investment and scope, focusing solely on its on-campus recruiting efforts at a select number of Canadian universities. This limited Scotiabank's ability to achieve the benefits an organization would otherwise obtain had the solution been deployed across the entire organization. Additionally, the version that Scotiabank deployed only contained Plum's talent assessment functionality where the full platform offers both talent assessment and talent management in a full-suite offering.

Given that Scotiabank was limited in the number of profiles that it could use and the functionality that it had access to, this project was essentially a proof-of-concept, highlighting what an organization can do to improve its recruiting efforts. Nucleus estimates that a full-scale deployment of Plum, expanded beyond campus recruiting, would garner stronger benefits than those experienced by Scotiabank. Mainly, Nucleus expects that an organization that expands its deployment of Plum into talent management can double its employee retention and thereby significantly increase the benefits of the solution.

CONCLUSION

While Scotiabank saw impressive results in its ability to retain collegiate hires from its improved recruiting processes, the organization still has ample opportunity to leverage Plum's capabilities for more positions and to manage the entirety of the employee lifecycle. Nucleus expects that a full deployment of Plum would yield increased retention and ROI compared to that which was experienced by Scotiabank, especially if the scale of the investment is much larger in scope than the deployment assessed.



NUCLEUS
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ROI: 182%
Payback: 7.2 Months

PLUM

SCOTIABANK

ANALYST

Evelyn McMullen, Joseph Arocha

THE BOTTOM LINE

Scotiabank realized a 182 percent ROI by running a pilot with talent assessment platform, Plum, and recovered its initial investment just over seven months after deployment. Before Plum, Scotiabank heavily relied on resumes as its primary assessment tool for on-campus recruiting, which proved to be ineffective in determining the future performance of new hires. Since implementing the Plum pilot, Scotiabank has been able to eliminate the usage of resumes in its campus hiring process and increased retention of these hires by 20 percent, resulting in annual cost savings of more than \$280,000 and a more diverse and inclusive hiring process that expanded applicant reach.

THE COMPANY

Scotiabank is a Canadian-based multinational financial services organization that operates in more than thirty countries across two-thousand branches with approximately 90,000 staff. Scotiabank specializes in both personal and commercial banking needs and provides services for wealth management, private banking, corporate and commercial banking, and capital market needs.

THE CHALLENGE

Prior to the decision to run a pilot of Plum, Scotiabank relied on a variety of Talent Assessment platforms that varied across roles. Despite employing technology solutions within the organization, Scotiabank remained heavily reliant on resumes for its on-campus recruiting, which included roles such as co-ops and internships, as well as full-time operations positions. Scotiabank required a solution that would help increase retention within the organization, reduce dependencies on resumes, and allow them to employ a holistic approach to the assessment of potential new hires. Being a global organization operating in a fast-paced environment, it was also critical to Scotiabank to be able to attract, hire, and retain a diverse pool of quality talent.

**Cost : Benefit
Ratio | 1 : 3.1**

THE STRATEGY

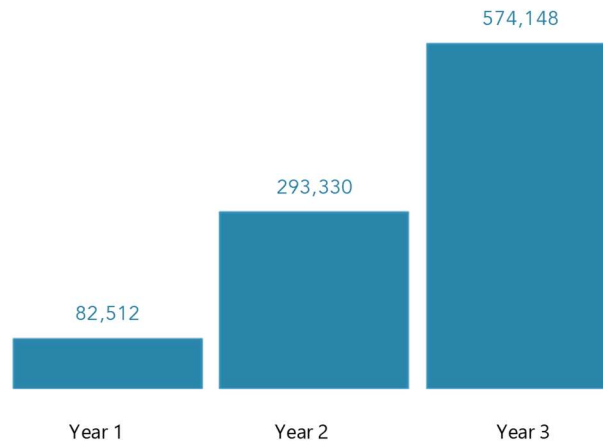
After determining that the organization needed a new talent assessment solution for campus hiring, the organization conducted an RFP to analyze the benefits of deploying different talent assessment platforms. The organization considered many platforms including Career Spark and Plum, ultimately choosing to deploy Plum for its familiarity among college campuses, ability to remove resume dependency, and focus on the holistic assessment of potential candidates. The implementation of the Plum pilot program within the organization was straightforward and the solution went live within a short timeframe. Scotiabank worked with Plum through an internal team that assessed the risks and benefits of the platform and ensured that the solution remained compliant with both internal and external regulations. Once Plum was configured to Scotiabank's needs, it was deployed across Canadian locations with concrete plans to expand across global locations. Due to the high usability of the platform, the organization was able to deploy the solution with no extra training costs.

KEY BENEFIT AREAS

Nucleus examined the deployment of the Plum pilot within Scotiabank to examine the benefits of the solution. The analysis revealed key benefits centered around increasing retention, retiring the resume review process, improving diversity and inclusion efforts, and increasing visibility into the long-term and future performance of employees.

- **Increased retention.** Prior to adopting the solution, Scotiabank faced difficulties in determining the fit and future performance of candidates across roles. This eventually caused higher than desired attrition rates, leading to significant turnover costs. Upon implementation of Plum's unique talent assessment capabilities, Nucleus found that Scotiabank was able to increase retention of campus hires by approximately 20 percent across the organization, which Nucleus found resulted in more than \$280,000 in annual savings. The increase in retention is attributed to Plum's ability to identify candidates that fit the role and the organization, which in turn leads to hiring employees that stay with the organization long-term.
- **Removing resumes.** One of Scotiabank's goals when looking to deploy a talent assessment platform for campus hiring was the ability to reduce its dependency on resumes. Prior to adopting the solution, analyzing resumes was the primary way managers determined fit and qualification for a role, which was time-consuming and provided only the most basic information on a candidate. For on-campus recruiting efforts, many students can have little to no relevant experience which means resumes provide little value. Scotiabank recognized the flaw of traditional talent assessment techniques in assessing recent graduates, and Plum enables Scotiabank to identify quality talent without forcing recruiters to base important hiring decisions on a summary of a candidate's education and work history. After deploying the solution, Scotiabank was able to eliminate the need for resumes in the hiring process, leading to higher quality interview techniques and overall improvements in identifying and hiring top talent outside of traditionally recognized fields of study.
- **Diversity and Inclusion.** One initiative that Scotiabank puts an emphasis on is becoming a more inclusive and diverse workplace. Traditional hiring techniques often let high-quality candidates fall through the cracks and subject organizations to having to rely on gut feelings which can create bias in the hiring process. Plum provided Scotiabank with the tools to achieve its goal of making its workplace a more diverse and inclusive environment in line with its company culture. Since implementing the solution Scotiabank has not only expanded its applicant reach but also filled more than 50 percent of its on-campus recruiting opportunities with female candidates and has hired at approximately 50 percent above external goals in the hiring of BIPOC candidates.

CUMULATIVE NET BENEFIT



KEY COST AREAS

The largest cost area of the Plum implementation was the annual subscription fee. Other costs associated with the initial deployment of the solution included a one-time implementation fee for an internal IT team to ensure a smooth deployment and integration with other systems before the go-live date, and third-party technology consulting costs associated with the implementation. Because of Plum's high usability, the project did not require any additional training costs for users once the solution was implemented.

LESSONS LEARNED

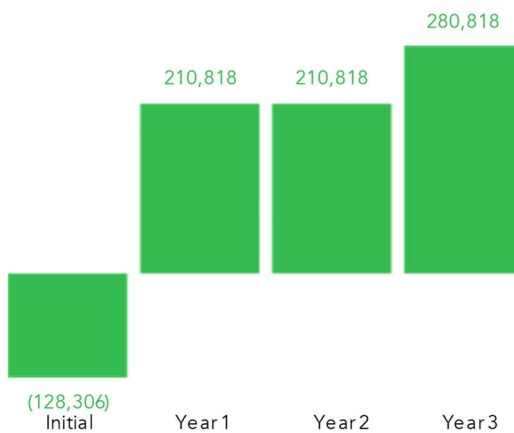
This project highlights the importance of adopting solutions that help employers look beyond a simple resume. By employing outdated assessment methods, organizations are more likely to miss out on quality talent by requiring recruiters and hiring managers to make decisions based on gut reactions which are inherently fraught with bias and is what Plum seeks to eliminate. Scotiabank's approach to talent assessment enabled the organization to achieve its goals of making its on-campus hiring process more diverse and inclusive, translating to hiring individuals that are able to excel in their roles and stay with the organization long-term.

During the initial configuration of the product, Scotiabank did not integrate Plum with its Applicant Tracking System. This caused some minor headaches during the deployment which could have been avoided had the integrations been completed prior to the implementation. Scotiabank also started the deployment by configuring 60 talent profiles which proved to be more than was necessary for the amount of campus hiring the organization does. Scotiabank was able to reduce the number of talent profiles to 17, which

is much more manageable and does not cause any changes to hiring volume. While this did not hinder the deployment, it is important to note that sometimes less can be more when adopting comprehensive solutions, especially as adoption can be a make-or-break component of a successful implementation. Additionally, business leaders stated that Scotiabank should have taken a more global view at the start of the deployment than it initially had. At the end of the deployment, the solution was still successfully rolled out across Canada and plans to expand Plum across global locations are well underway, but a lack of scope at the beginning of the project masked the complexity of implementing a solution across a global organization.

Plum offered Scotiabank a level of visibility into the potential performance of candidates that analyzing resumes simply could not match. The organization now has increased confidence in its ability to attract and retain quality talent from universities across Canada and abroad.

NET CASH FLOWS



CALCULATING THE ROI

Nucleus Research analyzed the costs of software and personnel over a three-year period to quantify Scotiabank's total investment in Plum technology.

Indirect benefits quantified include reduced attrition of campus hires. Benefits not quantified include improved DE&I metrics.

FINANCIAL ANALYSIS

Scotiabank

Annual ROI: 182%

Payback period: 0.6 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	0	0	0
Indirect	0	280,818	280,818	280,818
Total per period	0	280,818	280,818	280,818

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - DEPRECIATION	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	70,000	70,000	70,000	0
Hardware	0	0	0	0
Consulting	51,137	0	0	0
Personnel	7,169	0	0	0
Training	0	0	0	0
Other	0	0	0	0
Total per period	128,306	70,000	70,000	0

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(128,306)	210,818	210,818	280,818
Net cash flow after taxes	(70,568)	115,950	115,950	154,450
Annual ROI - direct and indirect benefits				182%
Annual ROI - direct benefits only				-36%
Net Present Value (NPV)				265,148
Payback period				0.6 years
Average Annual Cost of Ownership				89,435
3-Year IRR				160%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.