PARADOX

The ROI of AI

How talent leaders leverage automation to do more with less.

By: Ross Grainger
(Our CFO)

How can we help you?

PARADOX ›

A CFO's guide to building a CFO-proof business case.

gm ›

How General Motors saved $2MM by automating one thing.

S R ›

The tech that replaced Southern Rock's job ads.

GREAT WOLF LODGE ›

Great Wolf Lodge's secret weapon that saves $700,000.

Business case tips from a CFO who has read 100's of business cases.

I'm guessing you're here because
you're trying to save some money...

… Maybe you've already started learning a little bit about AI's impact in the hiring process.

Maybe you're even so far along that you're about to present a new technology to your own CFO.

Nervous?

If you are, I'm flattered. But honestly, you shouldn't be. CFOs aren't as complicated as we might seem. We like numbers. We like sound strategies. And we like numbers. Yup, I mentioned numbers twice.

I did say that we weren't that complicated, didn't I?

Those parameters might seem basic — and they are — but I've read hundreds of business cases in my career and you would be shocked at how many of them miss the mark on those essentials. And I would say that the ratio has dramatically increased in the last few years as budgets have tightened.

Now more than ever, business cases need to be airtight, strategic, and value driven.
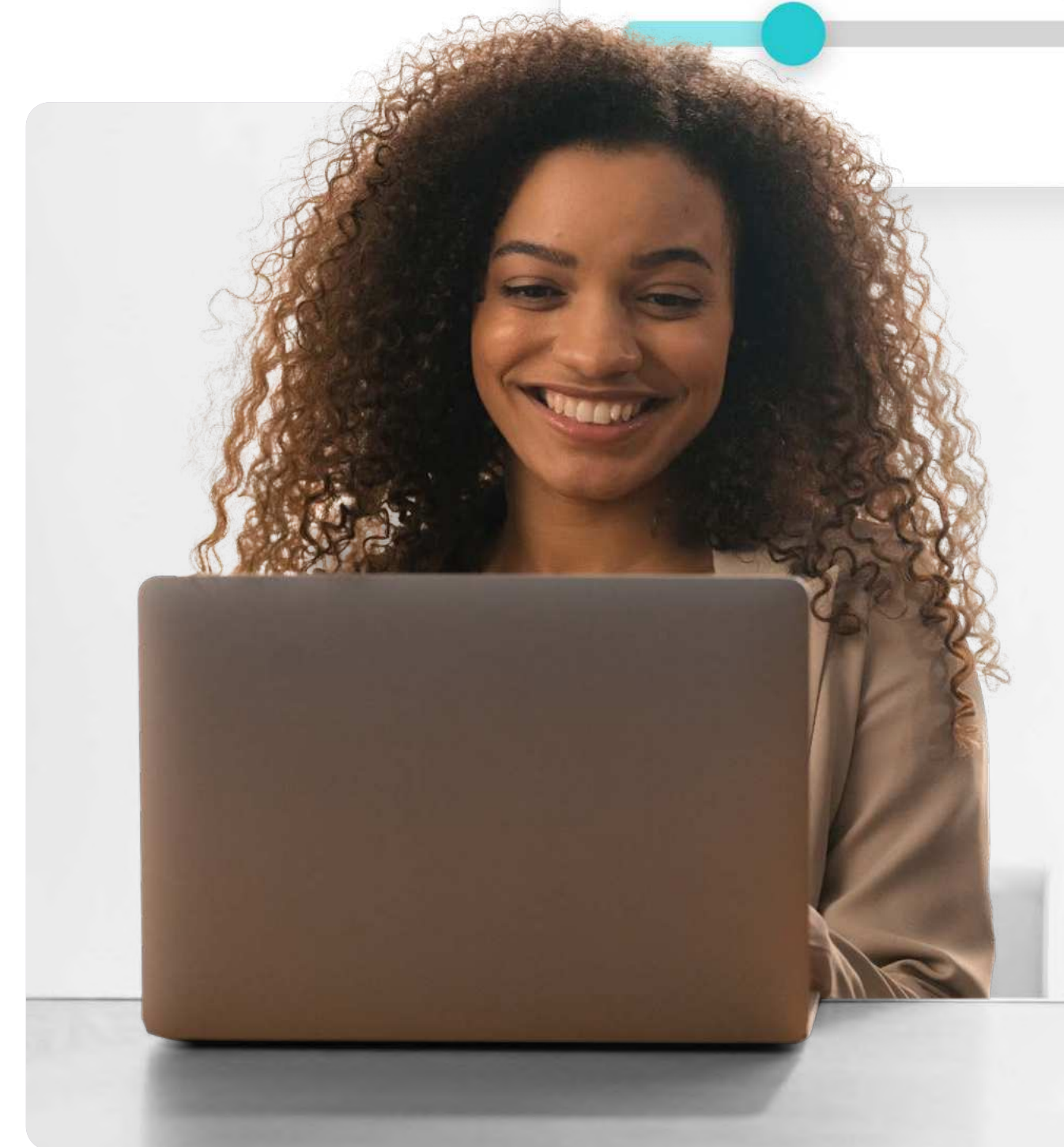
So while it's not impossible to get a thumbs up on your proposal, I can guarantee this: The only tech getting approved by CFOs right now are the ones that have an almost immediate ROI.

That's really what it's all about.

Cost per hire

$2,500

$25,000

The only tech getting approved by CFOs right now are the ones that have an almost **immediate ROI**.

When you're building a business case, you need to be able to answer two questions: How much does it cost? And how much are we going to save? If you have a good proof point, the case essentially makes itself. It's really that simple.

And frankly, that's another reason you shouldn't be nervous: AI often makes the case for itself.

AI offers an avenue to get better results while spending less money. Which, in and of itself, is awesome. But it also fills a growing demand in the talent acquisition space to be strategic and think far out into the future.

More and more, TA practitioners are being asked to scale their hiring processes without scaling their own budget.

Which can be difficult!

There are so many products in today's market, each with their own benefits and drawbacks — and you need to be able to condense everything down into a business result your CFO will care about. How do you do that? Well, you keep asking "So what?"

If you're in pipeline for a new software that will save your recruiters 10 hours a week, figure out how that amounts to more money in your company's pocket.

And if you don't have an immediate answer, don't worry — let's get into it right now.

How we think about savings.

SUMMATION OF COSTS

First, you need to take into account the dollars you're putting in to get the technology to work.

This starts pretty basic — the actual price you're paying for the thing — but can also evolve to include some of the more "invisible" fees. The money it's going to cost you to implement, the time it's going to take to adapt all of your processes, and even the opportunity cost of doing something else (or even nothing at all).

› Vendor annual fee

› Implementation fee

› Integration fees

› Change management

› Internal resources

› Opportunity costs

HARD DOLLAR SAVINGS

Then: the hard costs. Think technology replacement, repurposing coordinator headcount, contract resources, or even reducing costs of previous service. These are dollar-to-dollar translations — cost savings that appear directly in your budget. Implementing AI often reduces the need for these resources, setting your business up for success.

Look for ways to shift your budget around based on these savings to cover costs from the last step without needing to request more resources.

› **Reduced job advertising spend**

› **Reduce contract resources**

› **Reduce support headcount**

› **Reduce manager overtime**

› **Reduce FT TA headcount**

› **Reduce tech use**

OPERATIONAL BENEFITS

› Hire faster and better 24/7

› Improve productivity

› Repurpose managers

› Better customer experience

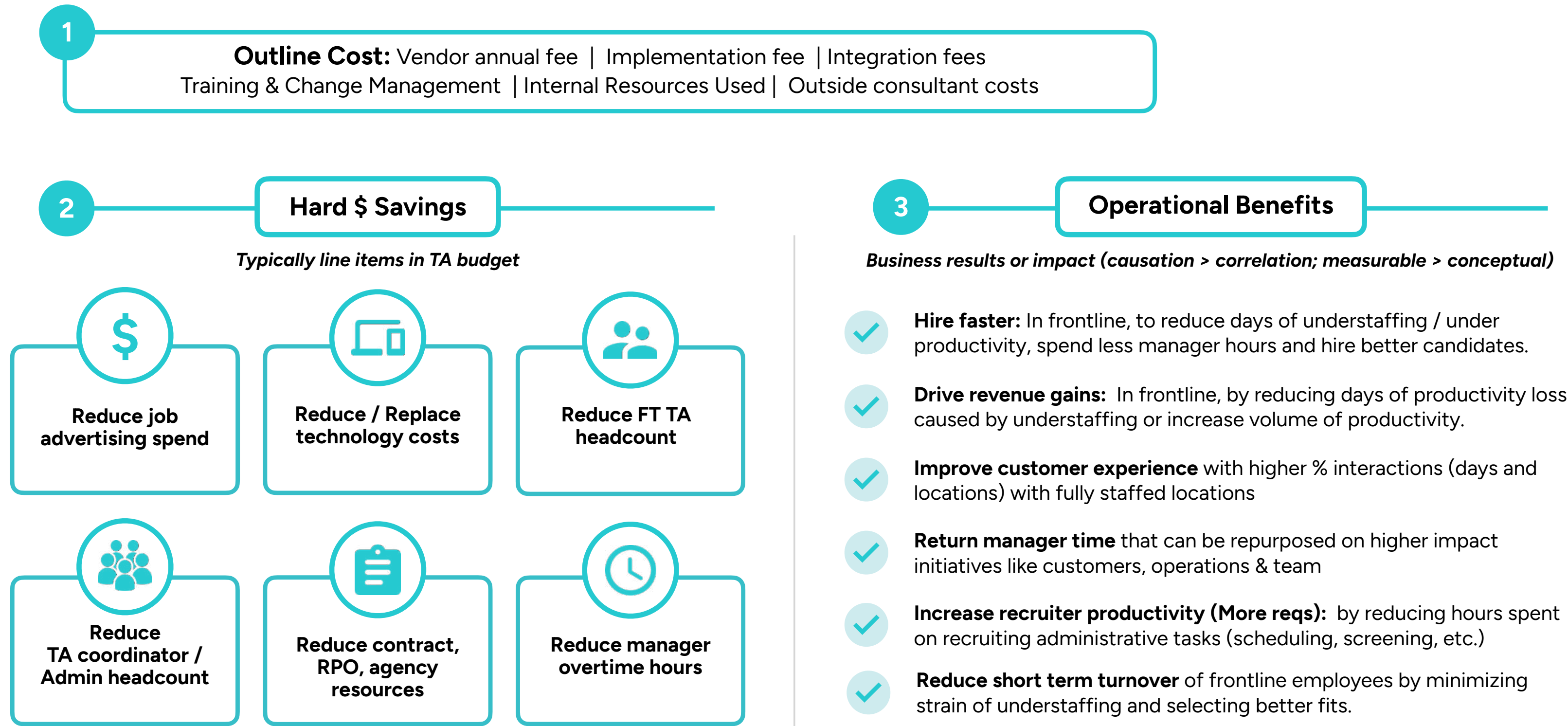› Increase efficiency

› Reduce turnover

Finally you have to look into your business operational efficiencies: where things can get faster, better, and more competitive.

For example, hiring managers could spend less time on recruiting tasks like interview scheduling or candidate screening. It may not seem obvious how that would correlate to cost savings, but it's not like those hours are just going to disappear, right? Now think how those hiring managers can spend more time serving customers or retaining employees, helping make the business better to drive more revenue in the long run.

Here's what it looks like all put together.

1 **Outline Cost:** Vendor annual fee | Implementation fee | Integration fees
Training & Change Management | Internal Resources Used | Outside consultant costs

2 **Hard $ Savings**

Typically line items in TA budget

Reduce job advertising spend

Reduce / Replace technology costs

Reduce FT TA headcount

Reduce TA coordinator / Admin headcount

Reduce contract, RPO, agency resources

Reduce manager overtime hours

3 **Operational Benefits**

Business results or impact (causation > correlation; measurable > conceptual)

✓ **Hire faster:** In frontline, to reduce days of understaffing / under productivity, spend less manager hours and hire better candidates.

✓ **Drive revenue gains:** In frontline, by reducing days of productivity loss caused by understaffing or increase volume of productivity.

✓ **Improve customer experience** with higher % interactions (days and locations) with fully staffed locations

✓ **Return manager time** that can be repurposed on higher impact initiatives like customers, operations & team

✓ **Increase recruiter productivity (More reqs):** by reducing hours spent on recruiting administrative tasks (scheduling, screening, etc.)

✓ **Reduce short term turnover** of frontline employees by minimizing strain of understaffing and selecting better fits.

One more thing to keep in mind: If you are not able to cover in your own budget, you will likely need to request funds from your CFO and CPO.

Even if you present a net positive business case (where benefits are greater than costs), it doesn't mean that your request will be approved. Why? Because your CFO has limited dollars they can invest, and you likely face internal competition from other areas of the business.

So not only does your business case need to objectively be good, it needs to be a relatively better investment than the majority of proposals.And while AI can often make the case for itself, it can also sometimes be hard to ground theoretical results with tangible evidence.

That's where case studies come in.

Leading businesses across dozens of industries have used AI to regain millions of dollars in both hard and operational savings.

Looking at these case studies can help provide context in your arguments to how AI can provide immediate ROI. Because what's a better predictor for the future than past results? So think of these case studies as your presentation playbook: This is how AI is making a difference in bottom lines around the globe.

In other words, this is how and why AI will save us money.

12 quick extra tips.

1   For starters, build with your CFO in mind.

Does this make financial sense? Is the math reliable? Are benefits measurable? Is this relatively a better investment than other investments in the company?

2   Separate hard savings & operational benefits.

Show both, but always start with hard cost savings. What can you cover from your budget?

3   Don't buy it if it doesn't save you money. 💰

Period.

4   Make it clear why this is a good investment.

Your CFO is only going to invest in the *best* projects. So even if your proposal is a net positive, better projects might take priority. So showcase your savings loudly.

5   Take the path of least resistance. 🚧

It's much easier to get approval if hard savings in your budget can cover the new investment vs. asking for incremental funds.

6   Write from your company's perspective.

Not the vendor's. When the capabilities and ROI are outlined, just leave the vendor's name and the specifics in the appendix.

7 Start with a one-page executive summary.

Highlight cost and savings, and 1-2 key (specific!) benefits. Don't bury the lede.

8 Under-promise, over-deliver. 📈

Always underestimate savings projections and ROI. It makes it easier to position investments as a win. Don't shoot yourself in the foot with unattainable numbers.

9 Asterisk any math.

You can keep the numbers simple in the proposal, but put your equations in a footnote. Be credible and specific..

10 Know the cost of "not doing."

Sometimes the clearest way to show impact is to juxtapose it with the status quo. Build a multi-year view of what costs look like if you don't use the tech.

11 Show what others are doing.

Include several case studies of other similar organizations doing this and having success. It creates FOMO around not wanting to fall behind.

12 You don't have to give all the savings back. ☺️

Figure out what can be saved, but then craft the most effective business case for approval. Showcase savings as well as strategic reinvestments.

Here are three companies who've saved thousands (even millions) using AI.

Show this to your CFO. They'll love it.
Because I love it.

INDUSTRY:

Manufacturing

EMPLOYEES:

163,000

IMPLEMENTATION DATE:

2020

ROI ACHIEVED IN:

Two months

Everybody knows GM. And that's great. But with utter ubiquity comes a different set of challenges when it comes to hiring. GM didn't have a candidate flow problem... they had a candidate management problem. On average, they receive 1-2 million candidates per year. After spending financial resources to keep up, GM decided to change the way they schedule interviews with AI. Now, they manage candidates faster and better than ever. And in total, it's granting them...

$2,000,000

saved annually.

In early 2020, GM announced their visionary plan: Create an environment with zero tailpipe emissions through the production of electric vehicles. To achieve this, they needed to scale their recruiting efforts. And fast.

These new efforts required new teams and new people — and in order to change the world, GM had to change how they hired.

You see, GM's hiring process wasn't optimized for efficiency.

The organization was employing 55 recruitment coordinators just to schedule candidate interviews. And those recruiting coordinators were slow — with manual communication methods, it was still taking 5–7 days to schedule a single interview. This

begged the question: What happens when you take a 100% manual process and automated most of it? In November 2021, GM officially rolled out their red carpet with Ev-e, a conversational recruiting assistant that could automate interview scheduling via text or chat.

With Ev-e, GM is now able to reach candidates immediately in the way that's most convenient for them, with zero time investment from recruiters. Everything is automated, everything is easy. And time to schedule interviews has decreased from 5–7 days to 29 minutes.

Their results are so impressive, in fact, that industry analyst Josh Bersin performed a case study on how they did it.

Interview Confirmed
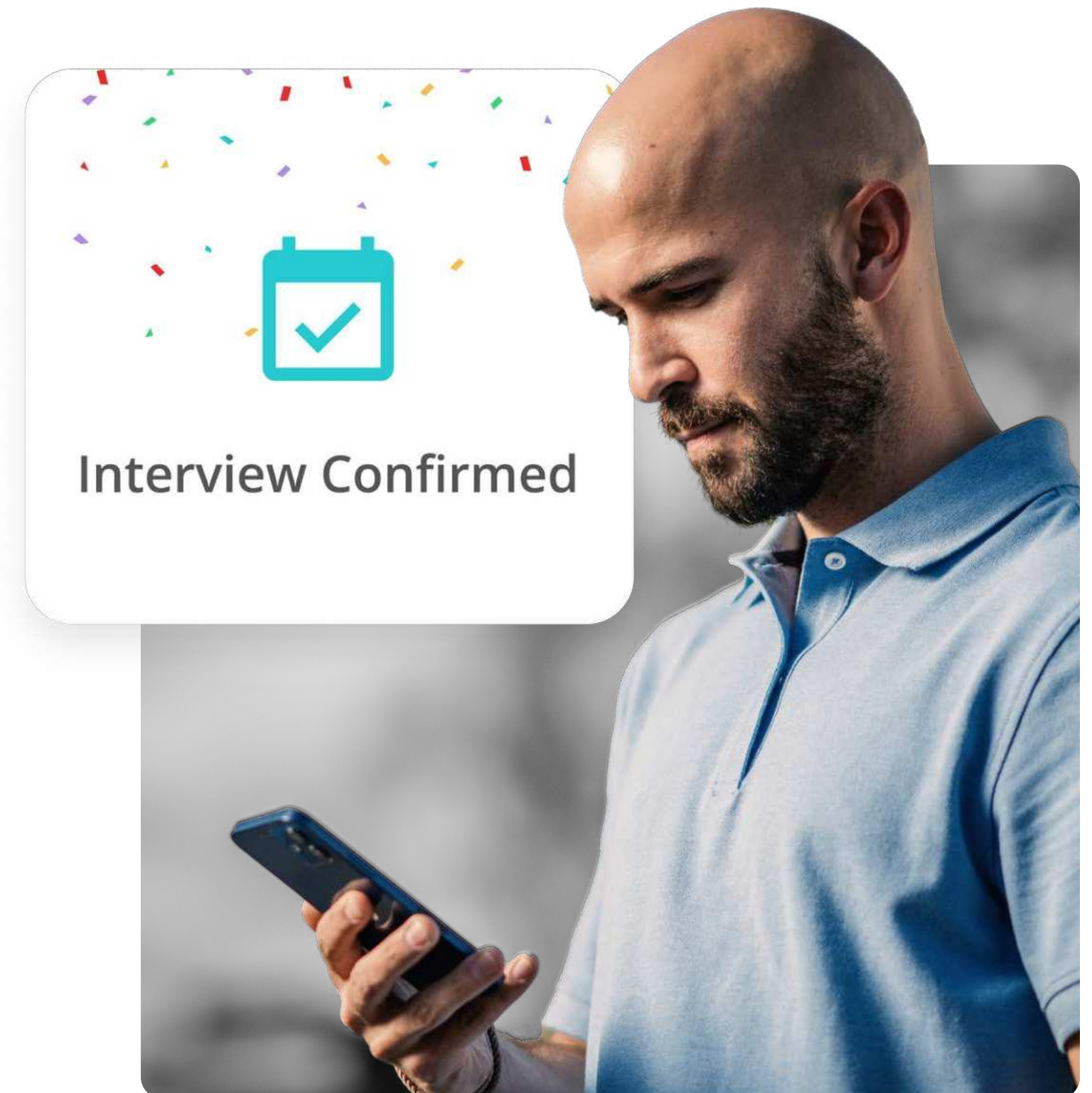
Read the Josh Bersin report ›

Hear from Eileen Kovalsky ›
Global Head of Candidate Experience
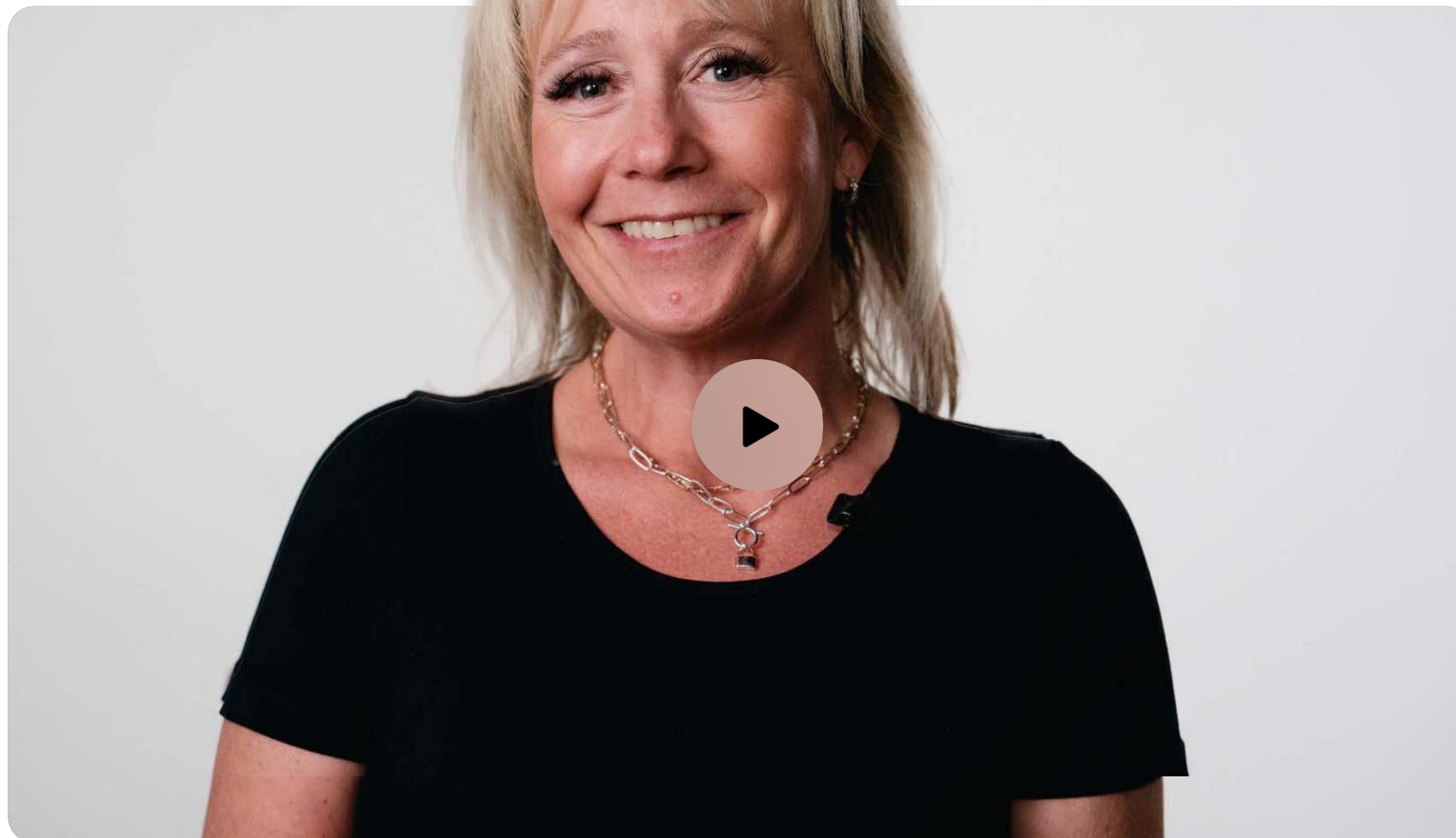
Of course, you're here for the cost savings (this is where it gets really impressive). With Ev-e, GM reached a return on investment in under two months. And they're saving millions of dollars every year. GM is able to pump that money back into their talent team, investing in even better recruiting methods.

And for technology that saves millions, the candidate experience is equally second to none.

"Our candidates love the scheduling responsiveness," said Eileen Kovalsky, GM's global head of candidate experience. "Rather than waiting days for an update, candidates immediately get a message from EV-e that will offer up times and confirm their next interview."

INDUSTRY:

Restaurant

EMPLOYEES:

10,000

IMPLEMENTATION DATE:

2022

ROI ACHIEVED IN:

Six weeks

A franchisor of 150+ McAlister's Deli locations, Southern Rock was struggling to hire at the speed their restaurants required. Their entire recruiting process was centralized through one recruiter (one recruiter!), and things were moving slowly. To catch up, Southern Rock had to up their recruiting marketing budget (to the tune of $65,000+ every month. Southern Rock's change came through the form of a new Conversational ATS, a platform that's given them back....

$840,000

saved annually.

Southern Rocks' Conversational ATS hasn't just sped up their hiring, it's redefined their recruitment marketing strategy. With faster, more efficient hiring, they've been able to cut back on their job advertising budget and save nearly a million dollars per year.

And more days fully staffed means more days of your customers getting the experience you intended. Reduced lines, better service, cleaner spaces, and more accurate order equals higher return guest rates.

Remember those operational benefits I was talking about earlier? Yeah, this is them in action. Better hiring = a better bottom line.

Since implementing Savannah, Southern Rock has been able to increase their candidate volume from 1,200 to 52,000, improve application completion rate to 95%, reduce interview no-shows by 30%, and reduce turnover by 60%. AKA: They're hiring faster and better, and keeping that top talent for longer.

Add that all up, and it equates to saving $70,000 every month.

"I haven't run a management advertisement [in months], which is unheard of heading into peak season," said Courtney Dempsey, their director of digital recruitment.

Southern Rock's locations now have an enhanced customer experience, and more money in their pockets, all because they decided to modernize their ATS with AI.
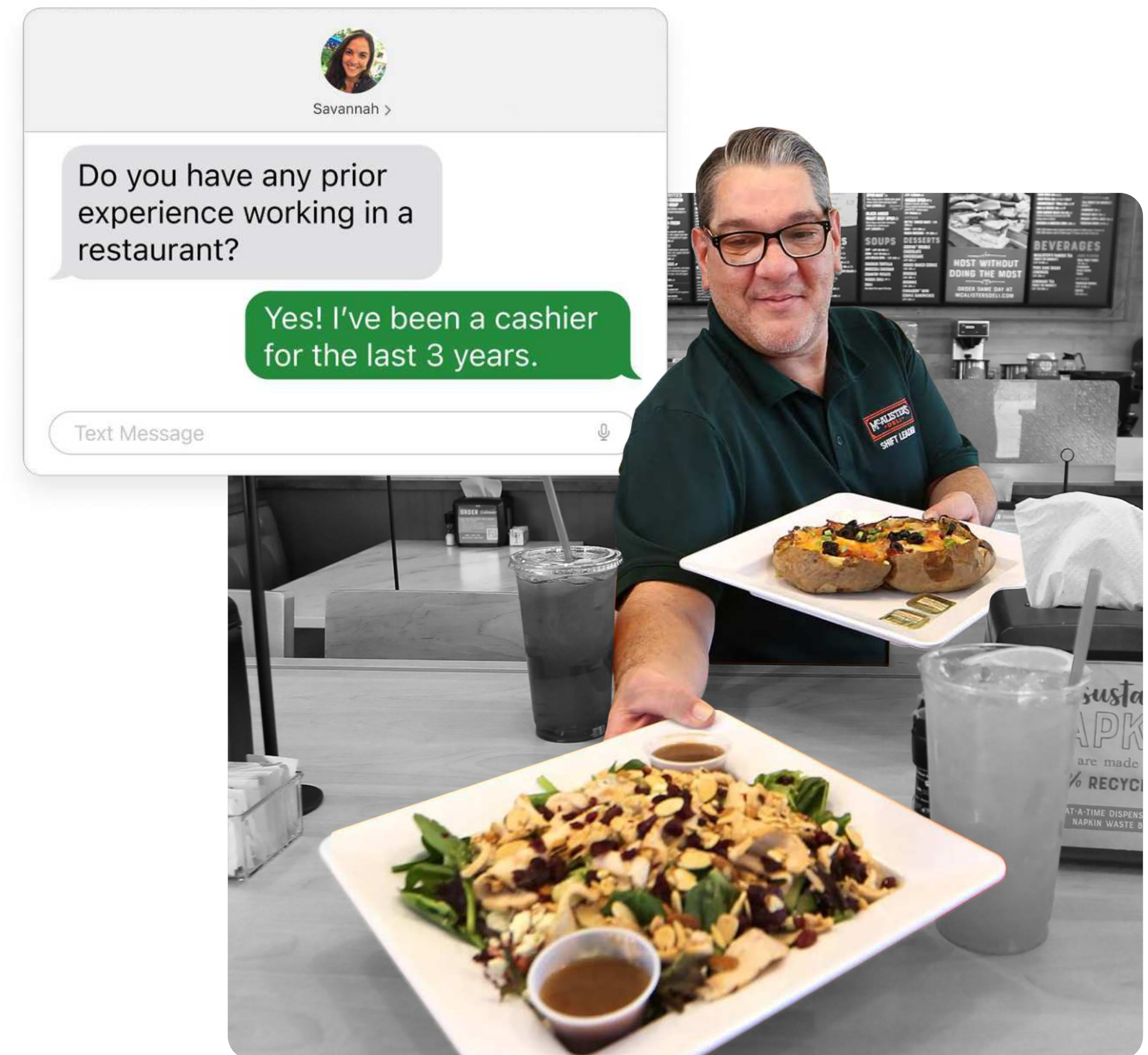
Watch the webinar ›

INDUSTRY:

Hospitality

EMPLOYEES:

7,500

IMPLEMENTATION DATE:

2019

ROI ACHIEVED IN:

Five months

Great Wolf Lodge is the largest family of indoor waterpark resorts in North America. For years, they've built an entire business around a very simple mission: bringing families together and giving them a joyful experience. To achieve this mission,

Great Wolf Lodge partners with conversational AI. Their AI assistant, Emma, screens and schedules job candidates, 24/7, all over mobile, to ensure that Great Wolf's lodges are fully staffed. And Emma is a big help to their bottom line too....

$700,000

saved annually.

The success of Great Wolf Lodge's 22 resorts isn't driven by water slides or lazy rivers (although they sure help). No, the heart of the organization lies in Great Wolf's "Pack Members" — from the traditional hotel concierges to the lifeguards on duty. There was just one problem with that.

"We couldn't get candidates to respond to our voicemails or come to interviews," said Rachel O'Connell, their VP of HR. "Our recruiters actually started manually texting them; the volume was really cumbersome."
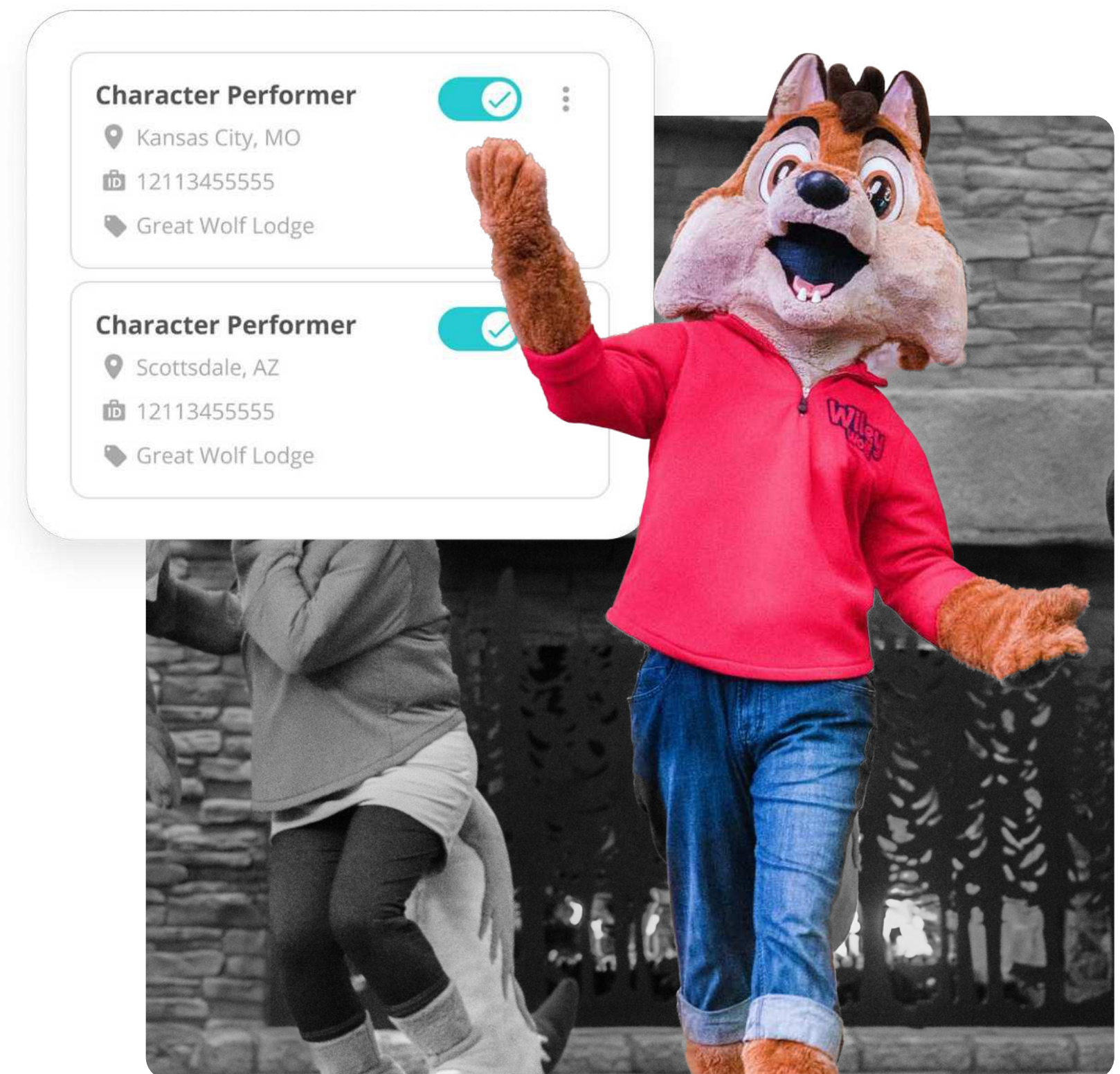
It simply wasn't scalable, or effective. Great Wolf needed a way to get through to candidates fast, without overburdening their recruiters. After initially searching for a text-to-apply and automated scheduling solution, Great Wolf realized that to achieve the change they needed, they had to fix the root of the problem — in other words, change their entire ATS.
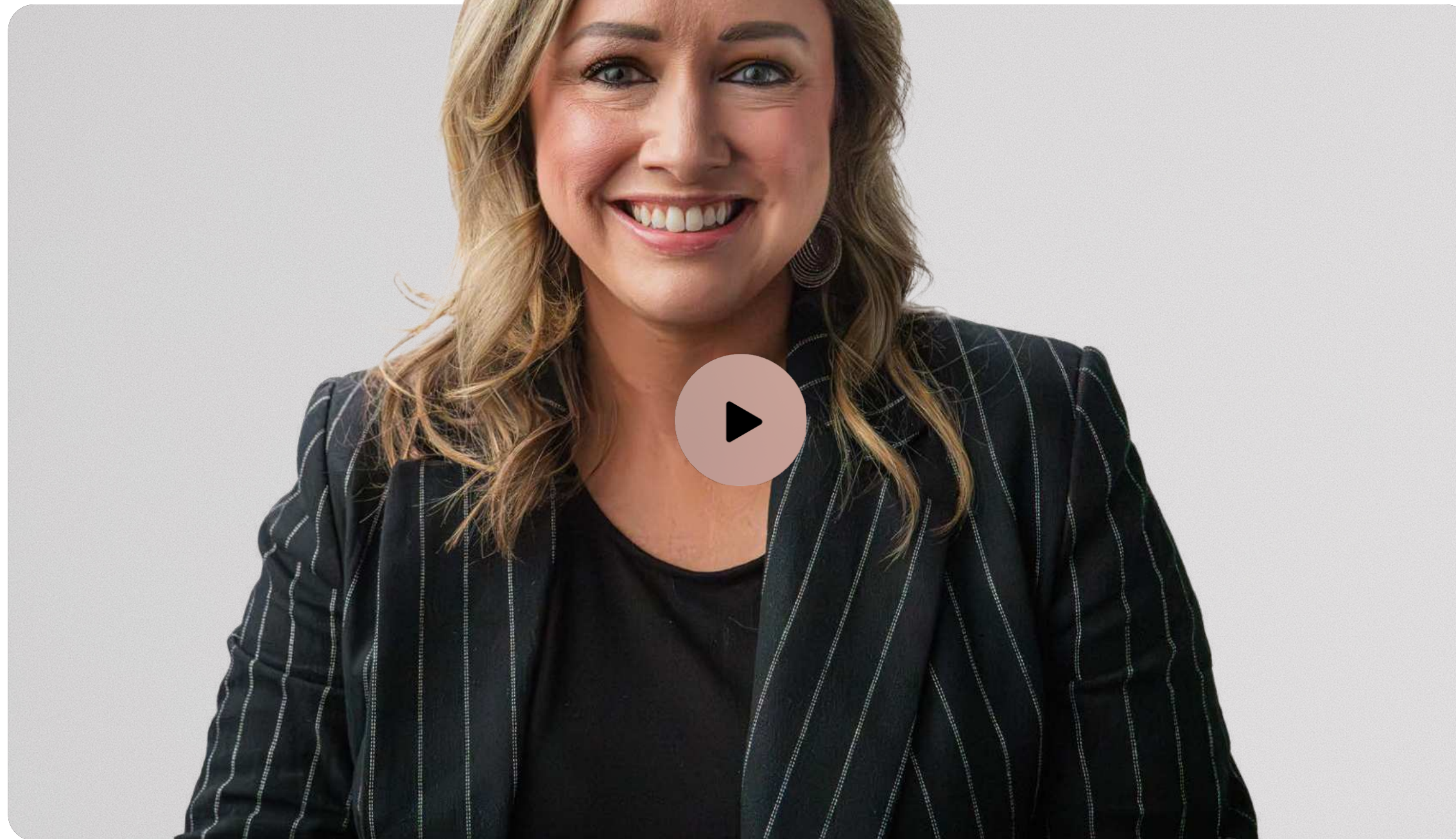
Now, obviously that's going to be a bigger purchase.

But for Great Wolf, it was entirely worth it. After implementing Paradox's Conversational ATS, Great Wolf's recruiters no longer have to do manual work.

All they have to do is click a few buttons to open roles, and conversational AI does the rest: screening candidates, coordinating interviews, and handling questions. 90% of Great Wolf's hiring process is now automated with AI.

Character Performer

 Kansas City, MO

 12113455555

 Great Wolf Lodge

Character Performer

 Scottsdale, AZ

 12113455555

 Great Wolf Lodge

Read the full case study ›

Since implementation, Great Wolf has increased the amount of interviews they're scheduling by 423%. And because they've increased their interview scale, they've been able to decrease their recruitment marketing budget.

They now save $700,000 every year.

Great Wolf is able to funnel those dollars into their managers, along with dozens of hours back into their week. They can use that time doing what they do best: connecting with people. Which, really, was the goal of this whole change. By implementing automation to make candidates more responsive, Great Wolf's people can interact at a larger scale than before. And save hundreds of thousands of dollars every year.

AI doesn't just drive revenue, but **end-to-end business results** as well.

Well, if you've made it this far...

I'm glad to see someone else enjoys numbers and data just as much as me. I'll be brief from here on out.

There are plenty of other initiatives put onto your CFO's desk. The best business case will always win. Luckily for you, it just so happens that AI tends to have some of the best business cases around.

Rooted in metrics that will drive efficiency and savings, you can secure funding now and in the future. The savings will carry over year over year, helping to provide long-term budget relief as well as better candidate and recruiter experiences.

If you're ready to revolutionize hiring, we'd love to talk.

Paradox is building the world's leading conversational recruiting software to drive automation with a human touch. Serving global clients like 7-Eleven, Pfizer, and General Motors with hiring needs across high-volume hourly and high-skilled professional roles, Paradox's conversational assistant Olivia does the work talent teams don't have time for — streamlining tasks like screening, interview scheduling, and more through fast, easy, mobile-first interactions.

paradox.ai