

The Software Guild
TALENT SYSTEM



SOFTWARE-GUILD

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Executive Summary

Since 2013, The Software Guild has been providing entry-level talent to hundreds of corporate partners. With demand increasing across all industries for qualified technical candidates as well as incumbent workers regularly having to update their skills to keep up with the rapid pace of change, our partners are facing an environment where it is difficult to attract new talent, retain existing talent and ensure that talent has the skills it needs for future business objectives.

Enter the talent system. This system, developed by The Software Guild, enables companies to attract qualified candidates from the external market as well as create their own qualified candidates from their incumbent workforce.

The Software Guild's talent system has been proven to provide tangible benefits to our partners by:

- Providing a pipeline of qualified external candidates pre-assessed for the qualifications our partners require.
- Transitioning incumbent workers with legacy skills into new roles with up-to-date, in-demand skills.
- Identifying incumbent workers currently in non-technical roles and providing them a pathway to transition to higher value, technical roles.
- Lowering the cost of talent acquisition.
- Increasing retention.
- Making the company more attractive to external candidates.
- Increasing diversity by offering professional development opportunities to nontraditional incumbent workers.

Understanding the Skills Gap

There are two significant forces in information technology that are contributing to the difficulties with hiring, skills and retention. The first is the rapid pace of change. Many aspects of technology are evolving so rapidly that traditional education sources such as universities cannot create and deliver courseware quickly enough.

Second is that IT is continuing to embed itself into all core functions of the modern business. This has increased demand across all industries, including those that were historically non-technical in nature, which makes hiring and retention a key concern for businesses as they compete for talent with competitors across the entire marketplace.



The Cost of Hiring

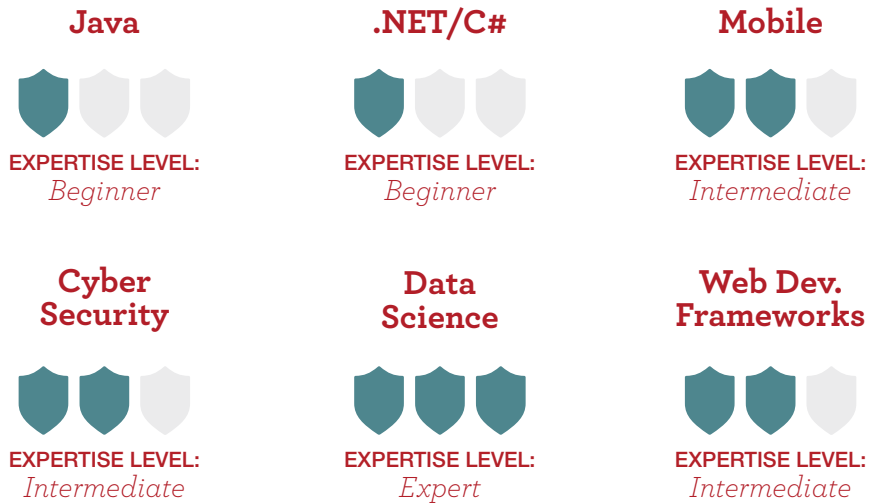
There currently is only one qualified candidate for every three open software developer positions in the job market, and the Department of Labor projects a 1 million job shortfall for in-demand IT positions through 2020. Talent acquisition in a market shortage is exceptionally difficult, and the industry is seeing increased lag times between posting a position and identifying a qualified candidate. Globally, IT staff jumped seven places to the second position in the top 10 roles employers struggled to fill in 2016. This in turn drives up the cost of talent acquisition. According to Devskiller, direct costs associated with outside hiring can reach \$34,000. When you factor in indirect costs such as productivity loss, ramp-up time and others, the direct and indirect costs associated with a \$60,000 salary can reach \$100K. Worse yet, when you experience a bad hire, as more than 66 percent of U.S. employers have, you can add another \$50,000 in missed opportunities, productivity losses, employee morale dips and potential legal issues. This is a driving force behind replacement costs for IT professionals reaching 150 percent of salary in some studies.

The Talent System

Recognizing a partner's needs to attract, retain and develop technology workers, the Guild has proposed and implemented a talent system that not only attracts talent from the marketplace but also helps transition incumbent workers both in IT and from other business units into in-demand technical positions within the organization.



The talent system allows for up-to-date training in a variety of technologies for student skill levels from beginner to senior. **Common business needs include:**



As a trusted partner, The Software Guild assists in identifying technology needs of the organization and developing a system to fill those roles from incumbent and external candidates and then creates a pathway for professional development to keep employees engaged, keep their skills current and ultimately increase retention.


Participants in our system can continue in or assimilate to roles such as:

- Software Developer
- Software Tester
- Cyber Security Professional
- Penetration Tester
- Business Analyst
- Software Quality Assurance Professional
- Technical Project Manager
- Database Administrator

Benefits of the Talent System

The Software Guild talent system is a flexible, relevant and affordable way to attract, reskill and upskill talent into in-demand roles that require technical skills. The system is customized to a partner's needs and allows the organization the freedom and flexibility to create a long-term plan for the professional development that appeals to technology workers.

- **Multiple Modalities:** The Guild offers both in-person and online modalities that range from full-time to part-time in delivery schedule. The in-person modality can be executed at a regional Guild facility or at the employer partner's facilities so long as minimum enrollment threshold is met. Program length varies based on the materials covered and the amount of dedicated time. A few examples of applicable modalities and course schedules include:
 - **In-person full-time:** This fully immersive program runs Monday to Friday from 9 a.m. to 4 p.m.
 - **In-person part-time:** This combines the benefits of face-to-face learning with a schedule that is less disruptive to work schedules. Classes are typically held two weeknights and all day Saturday.
 - **Online:** Some partners choose to do full-time and part-time options in a virtual classroom style format with dedicated times for training.
 - **Online self-paced:** Students with variable obligations are serviced virtually using screen sharing and video conferencing tools during weekly open office hours sessions.
- **Degree-Pathing:** The Software Guild has cultivated and maintained relationships with various higher education partners that have allowed some of our programs to be articulated by regionally accredited institutions for college credit at both the BS and AAS level. For employees looking to leverage their new skills into an associate or bachelor's degree, this credit articulation reduces the cost and length of a technical degree program.
- **Talent Identification:** The Guild has been successfully identifying and training nontraditional students since 2013 with high rates of job placement. These processes are available to our business partners for identifying and evaluating technical aptitude for both incumbent workers and potential employees from the marketplace.

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- **Onboarding Cost Reduction:** In cases where an incumbent worker is transitioned to a technical role, onboarding costs and risks are greatly reduced as incumbent workers are already familiar with company culture and business processes and have already received regular performance evaluations. Additionally, with the time to hire externally continuing to increase, it is often the case where incumbent worker reskilling is faster than searching for, hiring and onboarding an external candidate.
 - **Increasing Diversity:** A side effect of our talent system program has been the attraction of nontraditional candidates. For example, a much higher percentage of women and minority candidates have entered our talent system than is typical in a college degree program. Some studies have shown that more diversity increases the productivity and innovation of teams.
 - **Increasing Retention:** Frequent participation in professional development programs has been shown to dramatically increase job satisfaction and the employee's bond to the company. A formal talent system that allows entry to previously non-technical candidates turns a career ladder into a career lattice where employees can move sideways into more in-demand roles instead of focusing only on upward mobility within the same role.

CASE STUDY: Large Insurance Company

A large U.S.-based insurance company was facing challenges with technical staffing on several fronts. The company was transitioning from more legacy systems to more modernized systems featuring the Java programming language. Additionally, the company wished to provide opportunities for non-technical staff to move into more valuable technical roles. The company places a high value on retention of staff members due to the domain expertise that they accumulate over time.

After a needs assessment, the company determined that accelerated training was the preferred path forward. While there are options for part-time, longer-term programs, the company was willing to invest in skilling up staff members quickly and wished to pursue full-time options. Vendor selection involved sending employees to several accelerated training providers to test the efficacy of the offerings. The Software Guild was one of these providers.

After experiencing positive outcomes and reviews from their employees, the company has signed a long-term partnership with The Software Guild to bring its accelerated Java program in-house. The program is structured to be available to both technical and non-technical workers with restrictions including tenure with the company and minimum thresholds for past performance evaluations. More than 500 employees have applied for the program to date, and the company has gained the benefit of picking the highest performers to invest in.

After creating a classroom space on the corporate campus, The Software Guild provides in-person instruction, curriculum and guidance on an ongoing basis. After completing the training portion of the program, employees are assigned to technical teams as interns and then promoted to full technical staff members.

Additionally, the company has reaped the benefits of increasing diversity on its technical team as several of the participants are women, minorities and other under-represented groups. Over the term of the contract, the company will save more than \$650K versus the overhead of hiring and training external candidates.

CASE STUDY:

State Department of Revenue

The Department of Revenue for a West Coast state was having challenges moving from legacy systems to more modern .NET ones. Challenges for the team included not only learning the new language syntax, but also learning object oriented programming concepts.

With experienced developers, the department did not require a comprehensive program such as the full bootcamp experience at The Software Guild. A series of discussions between management and the Guild went through the units available in the Guild curriculum, and a custom course of training was created, including some modifications specific to the internal development environment present within the organization.

Preferring an in-person experience, Software Guild instructional staff traveled to the partner facility periodically during the training experience while providing virtual support for hands-on project work between visits to ensure that the delivered content was being utilized and mastered.

CASE STUDY: Digital Commerce/Payment Processor

A digital commerce company in northeast Ohio wanted to update its legacy systems and implement processes around more modern Java tools. As an employer network partner, this company had numerous successful experiences hiring graduates of our bootcamp programs. Recognizing the quality of the curriculum and training methodologies at The Software Guild, the company decided that the Guild would be a good partner for training its internal technical staff on these new tools. The Software Guild team worked with the chief architect of the company to develop a customized training course on the desired topics.

Training and information sharing are part of the partner company's culture, so the company chose to send six of its technical team leads to The Software Guild facility for three days of immersive training with the intention of bringing the knowledge back to their teams. Desiring a distraction-free environment, the company decided to hold the training at The Software Guild's facilities. By working with The Guild on a customized plan, the company was able to integrate real-world scenarios that were directly relevant to the company's current business needs into the training and provided a template for the implementation when the team leads returned to their work environment.

Additionally, because senior-level technical staff were selected, the customized training enabled the participants to cover more material than is typical given the allotted time. The participants then returned to their company and successfully applied the information to the business environment; they completed the internal tooling upgrades while cross-training the members of their teams, which resulted in an almost immediate ROI due to process and tooling improvements.

CASE STUDY:

Financial Services Company

A large financial services company in northeast Ohio was experiencing challenges in growing its team. As the business grew its service offerings and acquired other companies to expand, it found an ever-growing demand for technical talent.

By partnering with The Software Guild, the company made a conscious decision to fill its entry-level pipeline predominantly with Guild graduates. After making the Guild a valued partner for its external hiring, the company realized cost savings of more than \$500K by no longer using external recruiting firms to source junior-level candidates.

Additionally, the internal culture of the technical team changed as more Guild alumni were hired and promoted into leadership roles. The technical team has made great strides in increasing the reliability and maintainability of systems by embracing software development best practices, such as unit testing, dependency injection and separation of concerns, that are promoted in the Guild curriculum.

Where previously the company struggled to find external junior-level hires, the partnership and volume of Guild hires have transformed the company to be a top pick for Guild alumni who are attracted to the prospect of working with peers who have had a similar transformative experience in the Guild program. This has provided the company with a significant competitive advantage in attracting top junior-level talent within the region.