BrandonHall
GROUP

Solution Provider Profile

Newton

January 2017

Company Background

newton

Company At-a-Glance	
Name of Product	Newton Applicant Tracking
Headquarters	San Francisco, CA
Year Founded	2009
Number of Employees	45
Revenue	< $10,000,000
Market Focus	SMB
Key Industry Verticals	Manufacturing, Healthcare, IT, Consulting / Business Services, Education, Non-Profit, Financial Services
Geographic Coverage	Primarily US-Based
Top Customers	GoPro, Overstock.com, Jelly Belly, TreeTop, US Federal Reserve Bank, Two Men and a Truck
Total Users (Cloud)	67,000+ Users, 2000 employers on the platform
Pricing Model	Monthly fee paid annually
Web site	http://newtonsoftware.com/

Product Overview

Newton's ATS is cloud-based, mobile-responsive, intuitive, and has many appealing features. It encompasses all the functionalities needed from the job requisition creation/approval process through job offers. Within the ATS there are functionalities for vetting candidates, collaboration, mobile career sites, online applications, approval processes, compliance, configurable form library, recruiting dashboards, interview scheduling, social recruiting, job advertising, budget control, employee referrals, and recruiting workflows.

Analysis by Brandon Hall Group

Business Overview

Newton, acquired by Paycor in 2015, is dedicated to providing the U.S. SMB market with applicant tracking systems (ATS) that help employers improve their recruitment process. The SMB market is defined as companies with 30 to 1,000 employees, with an average customer size of 448 employees. Newton concentrates mostly on serving these verticals: high-tech manufacturing, healthcare, consulting/business services, education, and non-profits.

Because the founders for Newton are former recruiting professionals, their goal is to drive their business forward with their feature-rich applicant tracking system. In addition, as Newton is part of Paycor, they are also selling Paycor's onboarding solution as a stand-alone product.

As would be expected, the Newton ATS integrates with all of Paycor's solutions (HRIS, payroll, time and attendance, etc.), and it also can be integrated with other providers' HRIS systems using an API.

Newton works with several preferred partners' solutions and integrates their solutions directly into their ATS hiring process. The partner' solutions span from background checks, screening, pre-employment assessment tests, and job advertising.

With respect to the job advertising partnerships, Newton has created direct partnerships with Monster, CareerBuilder, LinkedIn, Indeed, Appcast, and others so that their clients can purchase job postings directly from those sources within the ATS without an intermediary cost as there would be when using a job-posting engine, like

Broadbean. In addition, Newton has built a transaction engine into its ATS where clients can track their spending against their budget.

Newton has three tiers of customer success support. All new clients get an activation manager to manage the launch. Then, the company assigns a customer service manager, and then customers receive ongoing technical support via the phone or online. Newton prides itself in these service metrics: 87% of support tickets get resolved in the first 24 hours, 95% year-over-year customer retention rate, and 90% of their customers will recommend Newton to a colleague. They have 250 elite customers that are referenceable.

Newton's main competitors are iApplicants, ATS OnDemand, ApplicantStack and Workable. In addition, the company has seen some competition from Greenhouse and Lever.

Newton's competitive differentiators are:
- A strong job-offer approval process
- The ability for hiring managers and company leaders to be able to collaborate with recruiters and approve jobs/offers without them having to sign into the ATS
- Customer support. Their gamified employee referral solution is also a very appealing product feature.

Product Details
Newton's ATS has many features that stand out, including:
- **Recruiting dashboards**: These dashboards are intuitive and simple to navigate. The dashboard shows the names of candidates, as opposed to numbers, within each stage of the candidate pipeline/hiring process. Recruiters can just click on the names and see all the relevant action items as well as information about the candidates. Within this dashboard, recruiters can email the candidates and other individuals (hiring managers, etc.). Emails and replies will be saved to the candidate record. Newton has established standard stages within the candidate hiring process. These stages (phone screen, interview scheduled) can be modified to a limited degree. In addition to the recruiting dashboard, Newton also offers recruiting analytics, such as average days to hire, number of interviews scheduled, etc. This data can be filtered by position, location, best sources, and other criteria.

Figure 1: Newton's Home Page
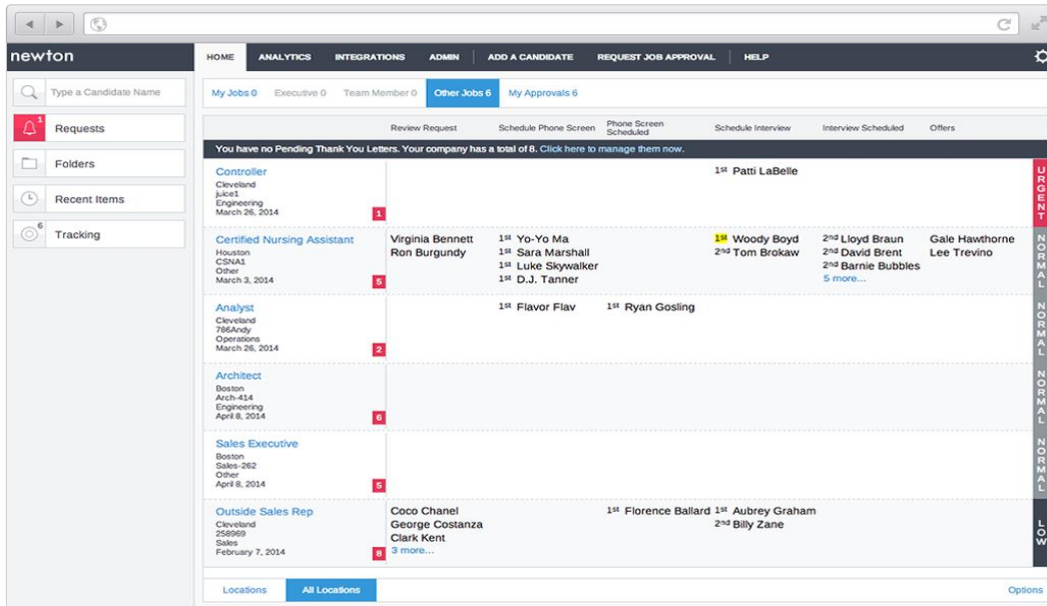
Source: Newton 2017

- **Approval processes, interview feedback with Newton Echo**: Within the ATS, Newton maps out the job requisition, approval process for its customers. When Newton Echo is applied, managers can reply to emails with a command tag - #approve, #deny, #interview, etc. - and Newton will automatically pick up that action and forward the candidate on to the next stage or kick it back to the recruiter or hiring manager to take care of the ensuing actions. The key benefit is that that hiring managers and business managers can oversee the hiring process, on-the-go, without having to sign into the ATS. All comments made with Newton Echo will be saved to the candidate record.

- **Gravity, employee referrals**: The Gravity App is a gamified, social referral engine where employers can open the job and employees can share those jobs on any site, including social sites, such as LinkedIn and Facebook. There is meta data built into the referral engine that tracks the employee that first made the referral. Employees are automatically notified when one of their referrals applies for a job. There is a leader board where employers can recognize and reward those employees that make referrals and employers can establish referral competitions. There is no additional cost for the Gravity App.

Figure 2: Newton Analytics Dashboard
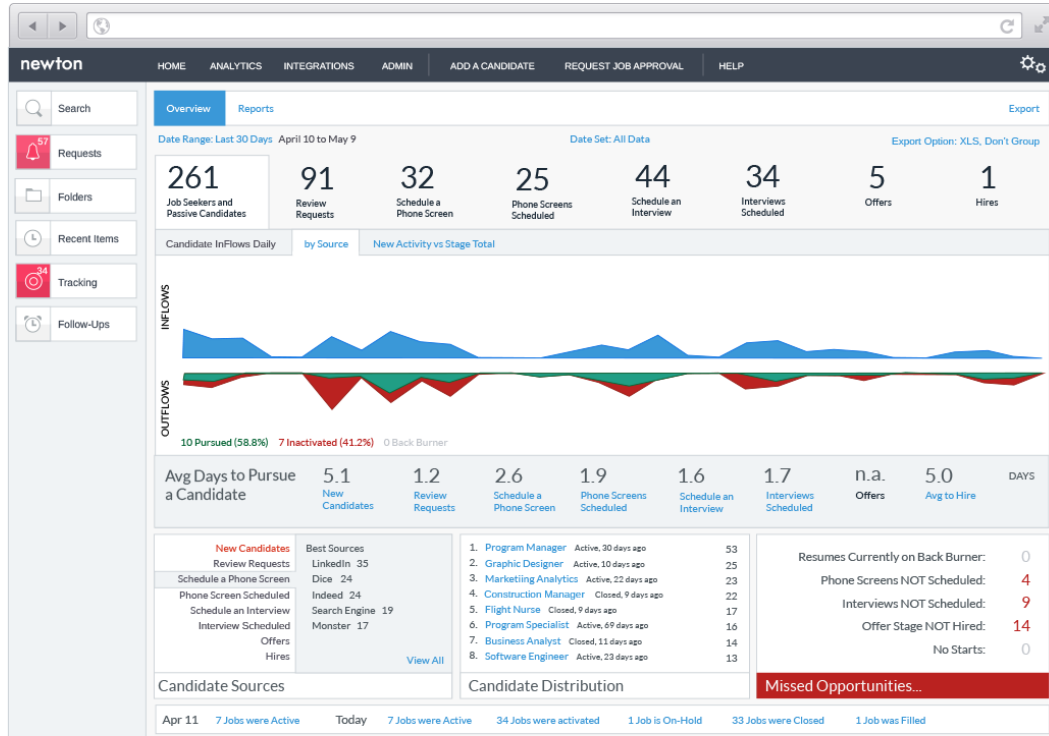
Source: Newton 2017

- **Interview scheduling**: The Newton ATS is seamlessly integrated with Outlook and Gmail. This engine enables interview scheduling with individual or teams of interviewers and it allows users to drag and drop schedules, add interview rooms, and it automatically maps out the schedule for the interviewer and candidate emails. Employers can easily schedule interviews from one screen without leaving the Newton platform.

Product Roadmap

Newton just introduced a new extensive candidate search feature that enables users to not only search through resume information, but feedback comments, notes, tags, and other fields.

In addition, Newton plans to roll out over the course of this year these product enhancements: the ability to track all sources of hire through cookies, not just the first candidate source, along with the accompanying analytics; ADA compliance feature enhancements for career sites; mobile interview scorecard with rating system to enable collaboration; revamping the way email (unified email inbox) is used in the ATS; the ability for candidates and users to see the application in Spanish as well as English; additional key integrations; and more.

Figure 3: Newton's Mobile First Job and Offer Approval Process
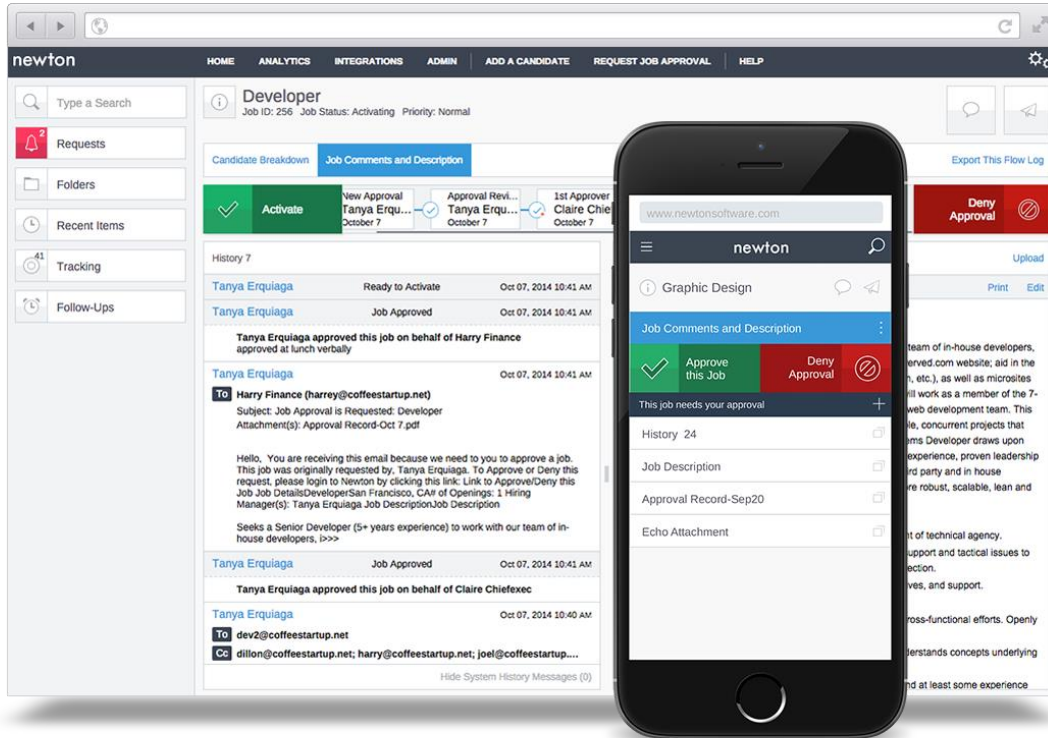
Pricing Models/Implementation

The cost for the Newton ATS is $399 per month and it includes one administrative user and unlimited standard users. Implementation of the Newton ATS takes about 17 days on average, excluding the integration of the HRIS. Each additional admin user is $99 per month. There is a onetime activation fee.

Figure 4: The Mobile-First Employee Referral App, Gravity
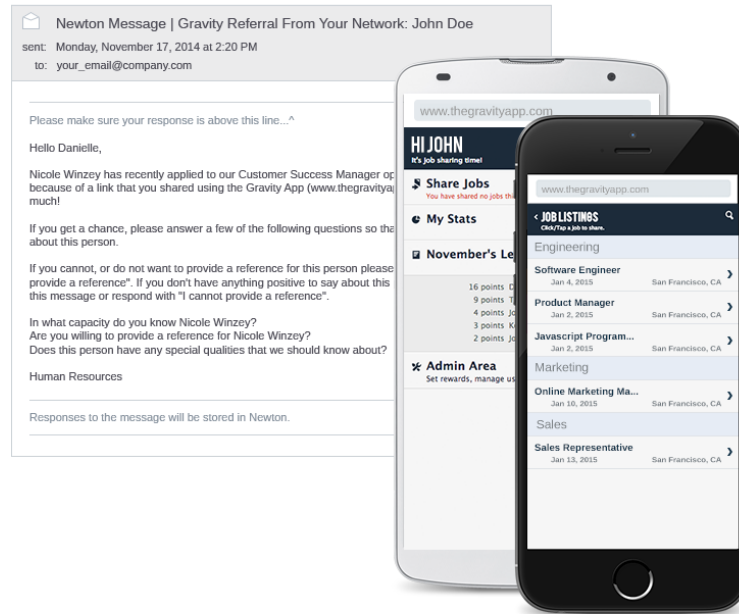
Source: Newton 2017

The Analyst's Perspective

Newton provides a substantial, easy-to-use, mobile, and economical ATS for the SMB market. The task management aspect of the ATS for job approvals, offers, and basic collaboration is well-suited for the SMB company that may only have one or two individuals who directly manage the recruiting/hiring process.

Newton also brings to this market best practices in terms of employee referrals, compliance, requisition creation, documentation (such as offer and rejection letters) and hiring practices.

Newton has a solid product which it is continuing to enhance at a dizzying speed. I especially like that they will be tracking all sources of hire, and not just the one source as is common for most applicant tracking systems. I also like that Newton is incorporating mobile interview scorecards that provide for collaboration. Newton is bringing a level of marketing sophistication to the SMB ATS market.

-Daria Friedman, Principal Analyst, Talent Acquisition, Brandon Hall Group

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Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management. With more than 10,000 clients globally and more than 20 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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