

2011 Employers Background Screening Survey August 31, 2011 Results

Please answer the following questions.

1. What are the top three challenges that you have experienced with your current background screening service provider that you would like to see corrected or changed? (Choose 3 of the following items and rank in priority with (1) being the top priority (2) next priority, etc.)

Challenges	
Please choose 3 of the following items and rank in priority order. Mark the top priority with the #1, the next priority with the #2 and the last priority with the #3	2011 Ranking
Timeliness of service	1 (288)
Cost	2 (229)
Accuracy of data	3 (225)
Customer service	
Compliance with legal requirements	
Lack of integration with HRIS	
Downtime	
Technology issues	
Type of services offered don't meet our needs	
Others (please specify)	

() indicates the number of respondents that ranked the respective item #1, 2 or 3. The ranking is based on a weighted score.

Observation: Timeliness, cost and accuracy of data have consistently been the reigning top three since we started the survey in 2008.

2. What innovation(s) would you like to see a background screening service provider offer to you?

Innovations Desired	
Please list the innovations that you would like to see.	2011 Ranking
Integration with HRIS systems	28
Quick turnaround time	21
Fast and Accurate	19
Online/Electronic data	14
Easy and Quick	10

Observation: Most noteworthy is the number of respondents that took the time to volunteer an innovation that would be desirable to him or her is significantly up from previous years. Also while 'integration with HRIS systems' was the most frequently mentioned the clear interest in timely responses is very evident and the dominant message.

3. What is your level of satisfaction with your current provider?

Level of Satisfaction	
Please choose only One of the following	2011
Extremely Satisfied	25 (7%)
Very Satisfied	2206 (54%)
Barely Satisfied	113 (30%)
Somewhat Dissatisfied	34 (9%)
Totally Dissatisfied	1 (0%)

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Observation: Good news! Of the 378 respondents that answered this question 61% were extremely or very satisfied with their current provider. While this is positive it also means that over a third of clients are either 'barely satisfied, somewhat satisfied or totally dissatisfied.' From a business opportunity perspective this means there is plenty of clients out there that may be ready to 'jump ship' to find better satisfaction.

4. Are you considering changing your current background screening provider in the next 12 months?

Considering Changing	
Please mark Only one of the following	2011
Yes	88 (23%)
No	120 (32%)
Undecided	172 (45%)

Observation From a client retention viewpoint only 32% of clients are staying put with their current provider which is a low percentage. A whopping 68% are definitely seeking a new provider or are on the fence whether to do so. Stated another way 2 out of every 3 clients is at least considering looking for a new provider. This large number suggest something systemic is impacting the industry.

One phenomena that appeared to be at a higher level was the number of respondents that were 'Extremely or Very Satisfied' with the current providers, however, were still definitely going to change providers or were at least considering it. This suggest to me that other factors such as the desire for more HRIS Integration, faster technologies, expansion to international screening, etc. are putting increased pressure on firms to provide. Based on the configuration of the industry this direction clearly favors larger firms who can bankroll expansion of services and may forebode more mergers & acquisitions and an overall contraction of the number of firms in the industry.