

2012

Business Outcome Highlights

People are your most important asset. And when you use Hogan's assessment solutions to help manage your people, you want to know they work.



Hogan conducted 40 ROI studies in 2011 and 2012 for clients ranging from retail and pharmaceuticals to manufacturing. This report includes 10 case studies that demonstrate the impact an assessment driven solution can have on your organization.

Overall Findings – Hogan Shows Strong ROI

The table below highlights our findings from the 2009-2010 business outcomes report.

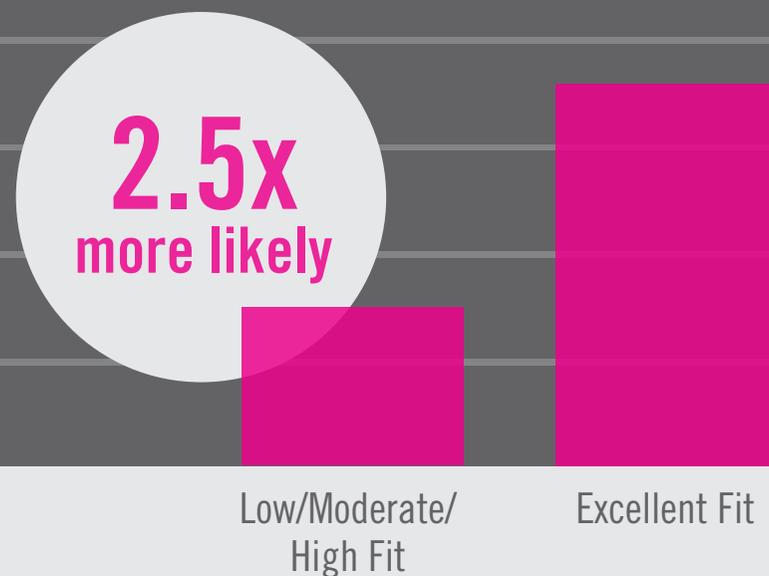
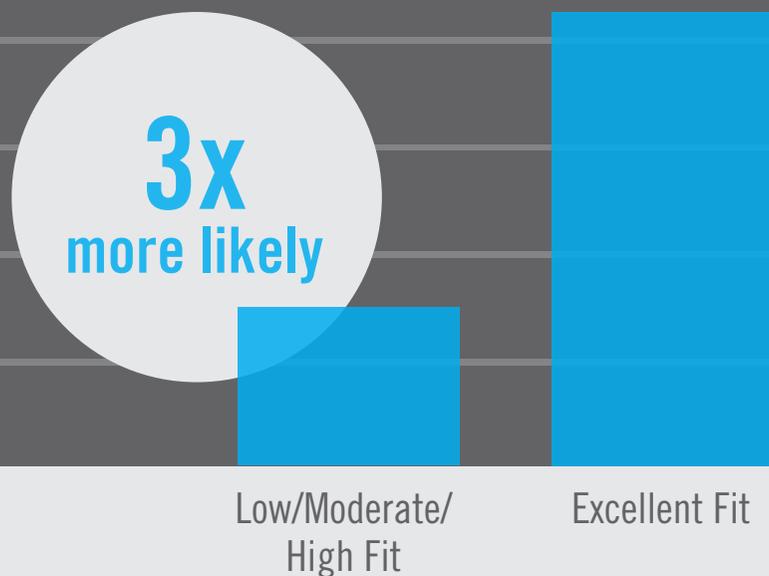
Industry	Job Title	Finding
Pharmaceutical	Sales Representatives	Improved Sales Rankings
Transportation	Managers	Greater Employee Engagement
Construction	Account Managers	Higher Sales Bonuses
Defense	Assemblers & Technicians	3X Performance Increase
Construction	General Managers	\$11M Increased Profit
Consumer Goods	Finance Leaders	Improved Critical Job Skills
Manufacturing	Entry-Level Employees	40% Fewer Accidents
Insurance	Customer Service Representatives	Increased Culture Fit
Food Distribution	Managers	3X Sales Increase

Satisfied Customers & Better Culture Fit

A regional convenience store company worked with Hogan to improve its leadership talent identification strategies. We developed a profile to identify successful mid- and executive-level leaders both internally and externally. Results revealed that leaders meeting the excellent fit requirements were **nearly 3 times more likely to have high customer satisfaction ratings and 2.5 times more likely to be a strong fit** with the company's traditional culture compared to those not meeting the requirements.

Customer Satisfaction Ratings

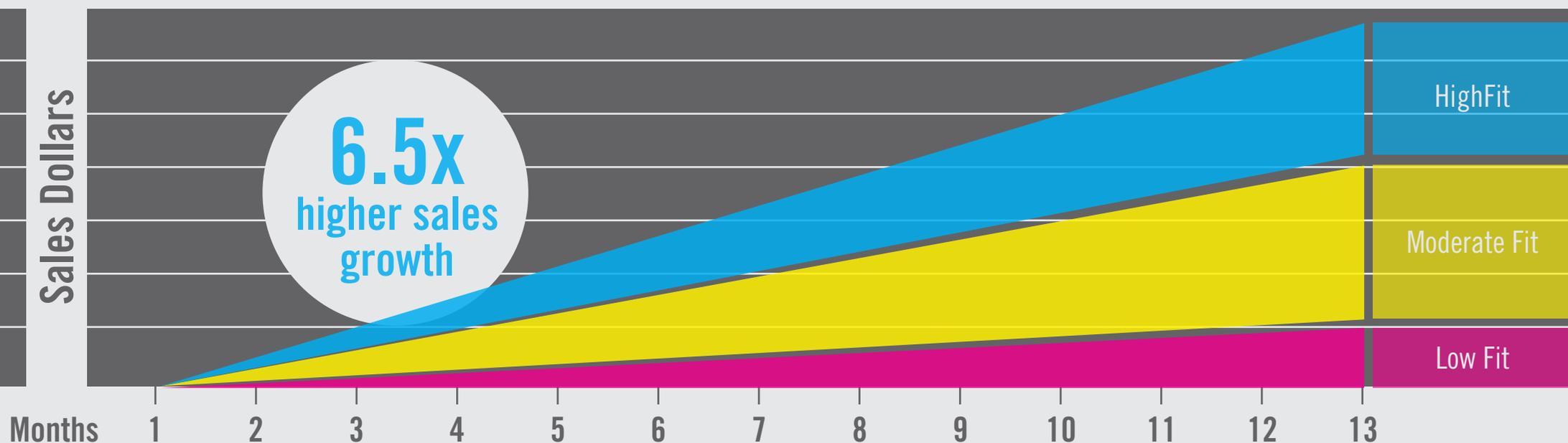
Culture Fit



Greater Sales Growth

A well-known food retailer established a Hogan profile to hire sales representatives nearly three years ago. In 2012, the retailer investigated the extent to which the profile predicted sales performance using a sample of 115 sales representatives. Results revealed that high fit sales representatives **grew their weekly sales at a greater rate** compared to low fit sales representatives. After one year, high fits' sales growth was 6.5 times that of the low fits' sales growth.

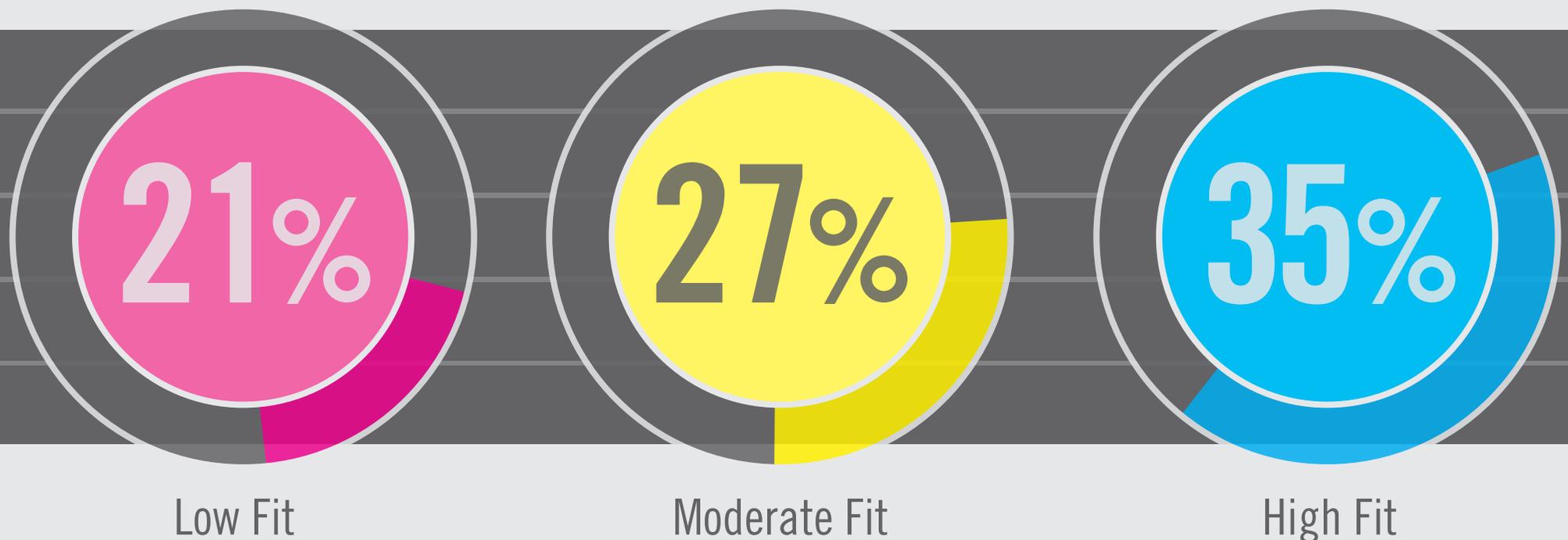
Average Weekly Sales Growth Rate By Month



Improved Chance of Achieving Budget

We collaborated with a leading convenience store chain to improve its selection system for consultants. Consultants work with and advise franchisees on company business practices and regulations. We found that screening in applicants who tend to be organized, practical, mature, and even-tempered favorably impacted the bottom line. Specifically, consultants classified as high fits **were over 1.5 times more likely to achieve their controllable earnings budget** compared to low fit individuals.

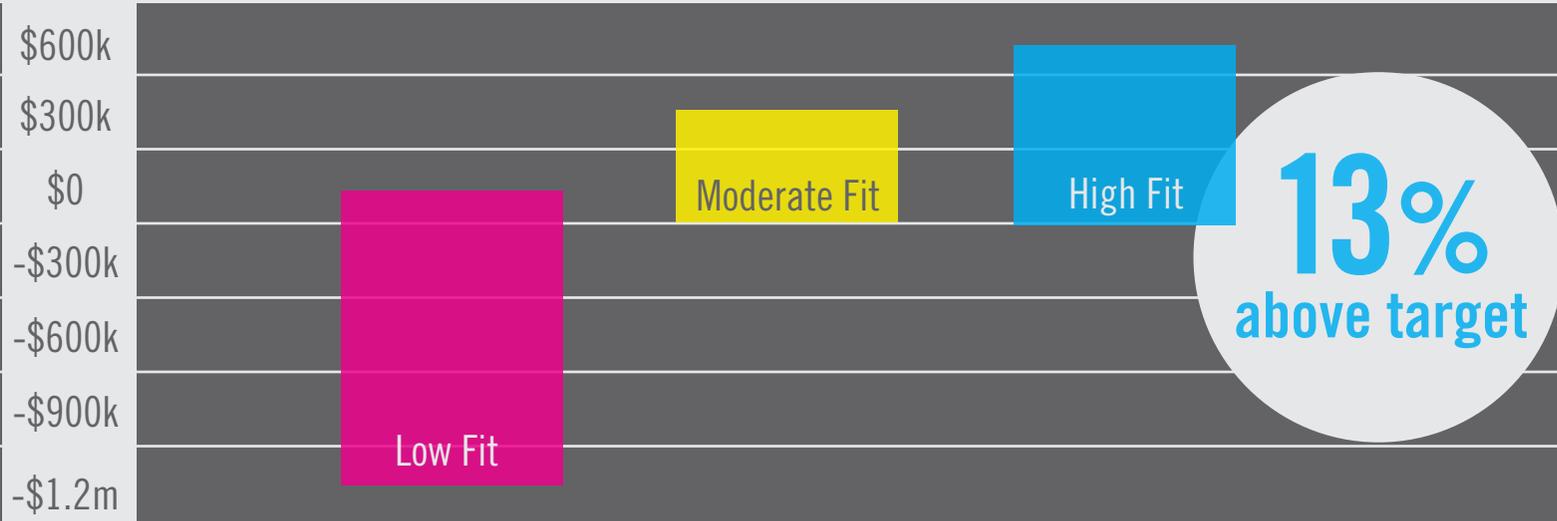
Percentage of Consultants Who Met Their Controllable Earnings Budget



Greater Net Operating Earnings

We collaborated with the same leading convenience store chain to improve its process for selecting sales managers. Sales managers oversee the consultants and are responsible for regional sales. Findings showed that sales managers who are competitive, socially skilled, innovative, and gregarious tended to be better performers. Specifically, high fit sales managers **exceeded their financial targets by 13% or \$560,000** on average whereas low fit sales managers missed their financial targets by 6% or \$1.1 million on average.

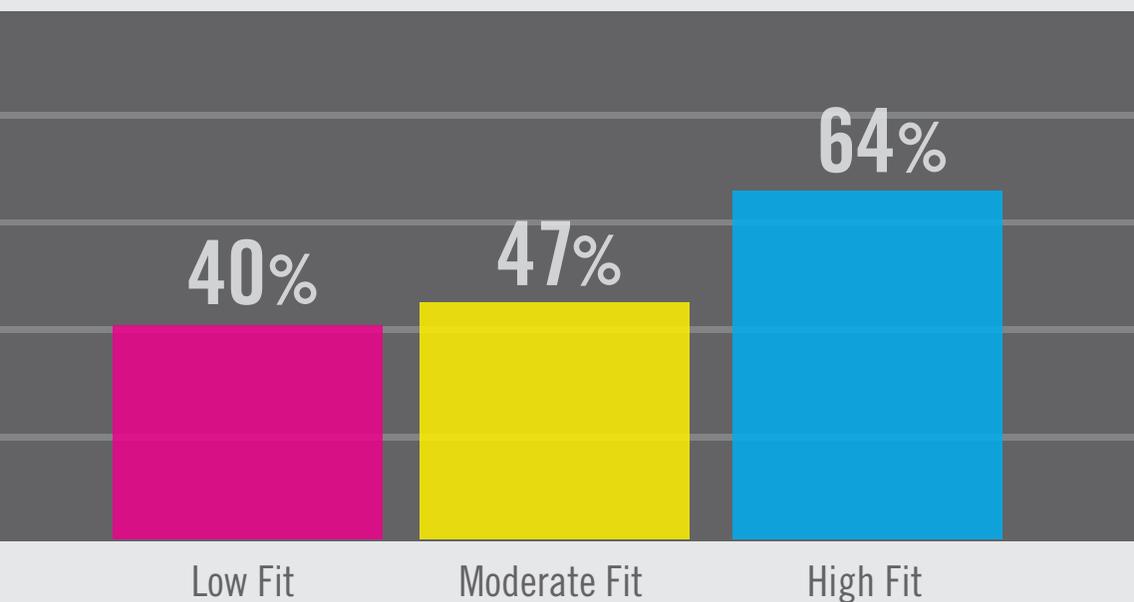
Net Operating Earnings Compared to Target by Hogan Fit Level



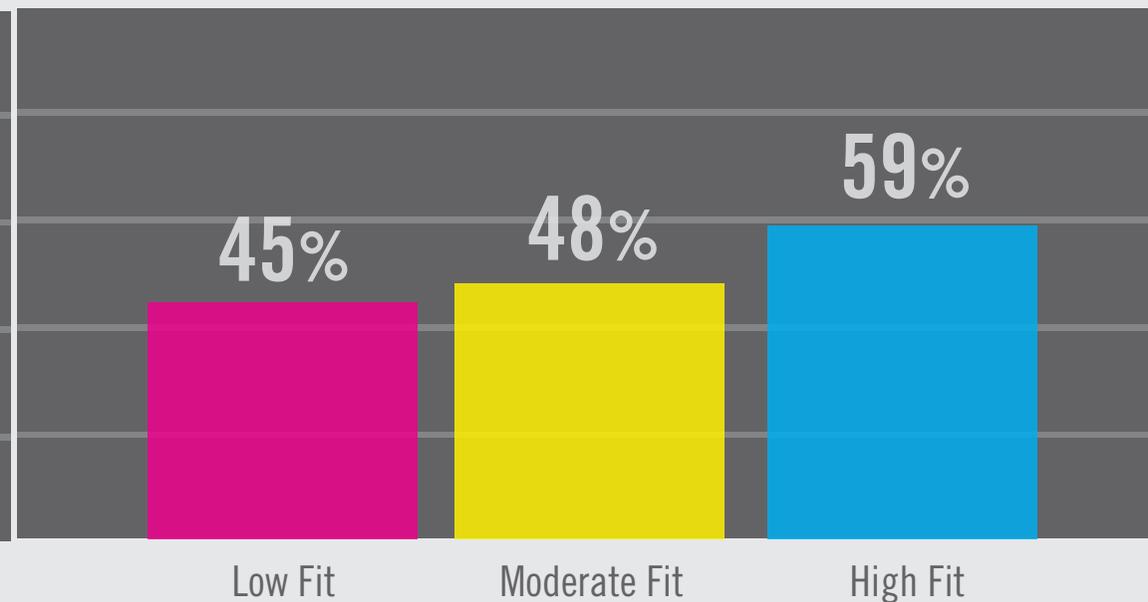
Improved Store-Level Finances

A national big box retailer wanted to improve its managerial selection system. Hogan developed a personality-based selection profile and found that a greater percentage of store managers classified as high fits **improved their store-level financial metrics** – Variable Profit Contribution (VPC), and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) – from 2011 to 2012 compared to low fit store managers.

Store Managers with Improved VPC



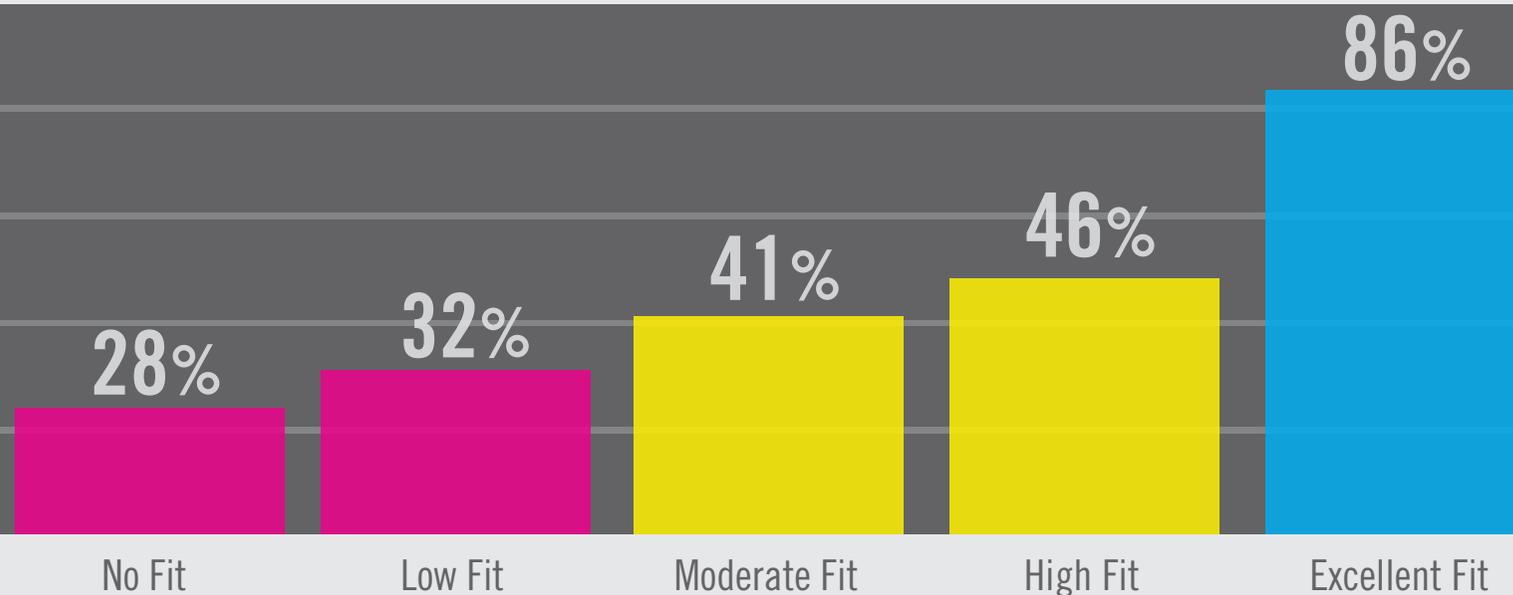
Store Managers with Improved EBITDA



Above Average Overall Performance

A global producer and marketer of agricultural and industrial services sought to implement personality assessment into the trader selection process to improve the quality of hires. Traders are high-level professionals within the company and generate income by managing trading risks. We found that individuals classified as excellent fits according to the Hogan profile were over **3 times more likely to be rated as above average overall performers** by their managers compared to those classified as low fits.

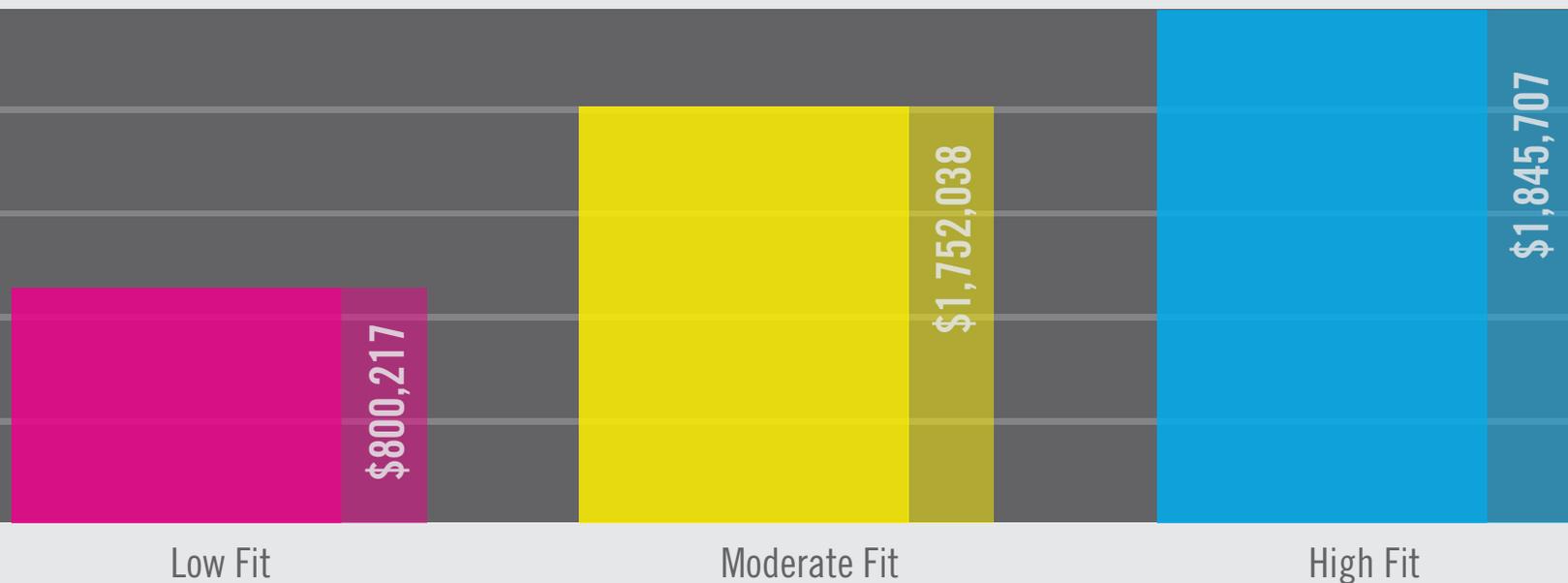
Percentage of Above Average Performers by Hogan Fit Level



Maximizing Store Sales

A large automotive repair company used Hogan to select candidates into the manager role. After two years, they examined how well the Hogan profile predicted managerial performance. They found managers classified as high fits according to the Hogan profile had greater store revenue compared to managers classified as low fits. Specifically, high fit managers had **\$93,669 more in store revenue** than moderate fit managers and over **\$1 million more in store revenue** compared to low fit managers.

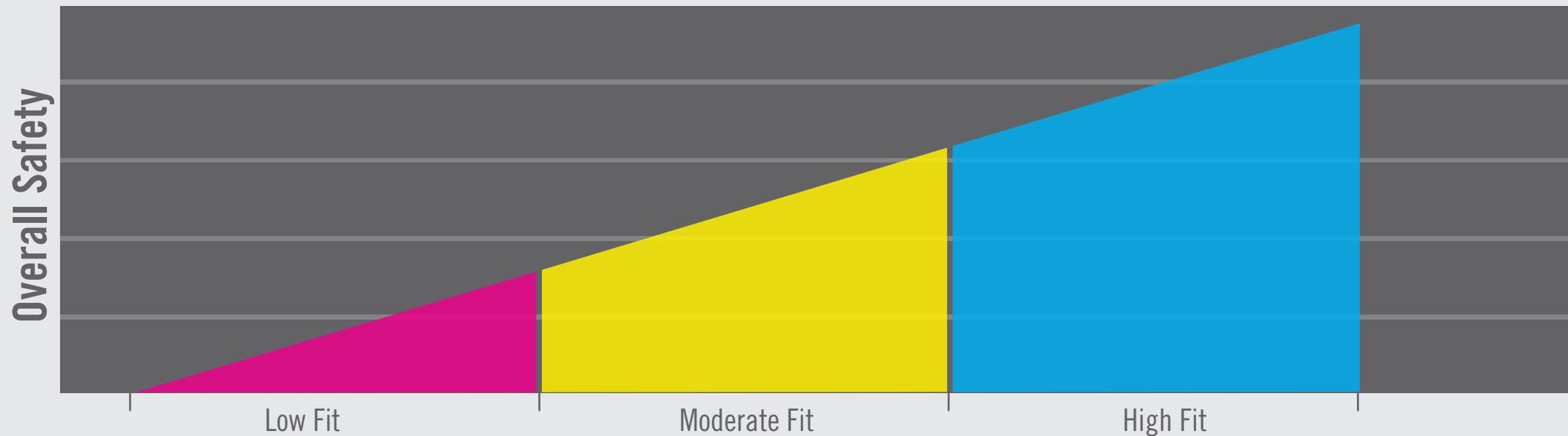
Revenue by Hogan Fit Level



Safer Employees

An electronics manufacturing organization wanted to improve company-wide safety by hiring safer production assemblers. Production assemblers are responsible for producing electrical components according to customer specification and processing packages for shipment. Hogan created a profile to screen in applicants who are task-focused, conscientious, detail-oriented, and stress tolerant. Supervisors tended to rate production assemblers who are **better fits with the Hogan profile as safer employees.**

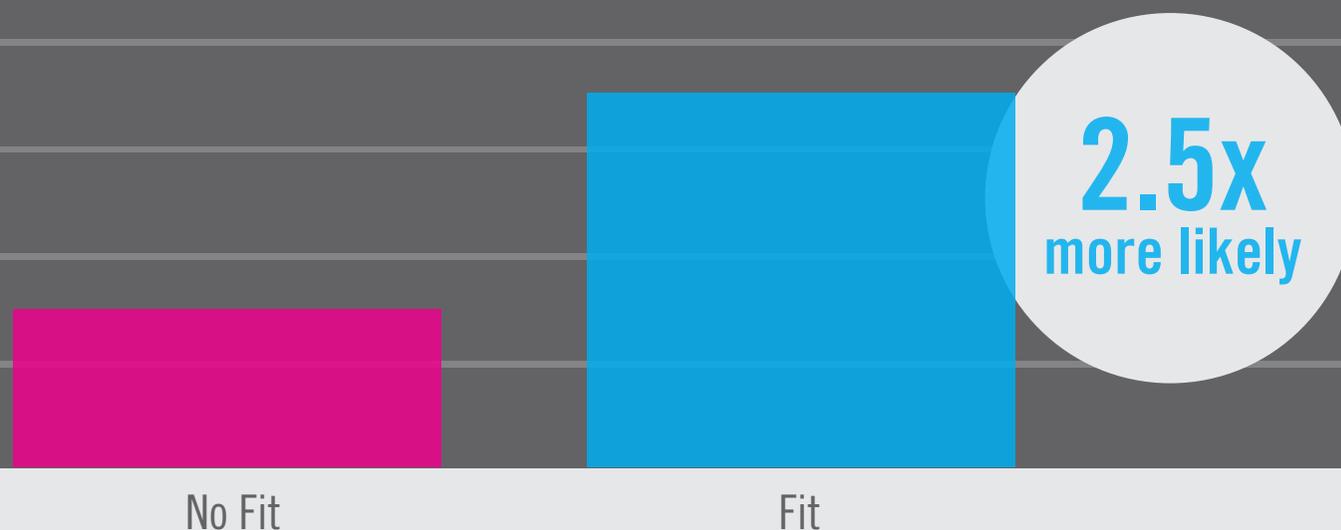
Safety Ratings Increase Along with Hogan Profile Fit



Better Sales Performance

Hogan worked with a leading pharmaceutical company to better understand how personality impacted sales performance. Results showed that sales representative personality predicted performance, such that sales representatives who met the Hogan profile were **2.5 times more likely to be rated as a strong performer** (based on supervisor ratings, field sales incentive program scores, and critical skills assessments) compared to those who did not meet the profile. Also, after 1.5 years of using the profile, the company reported a 40% reduction in sales representative voluntary turnover.

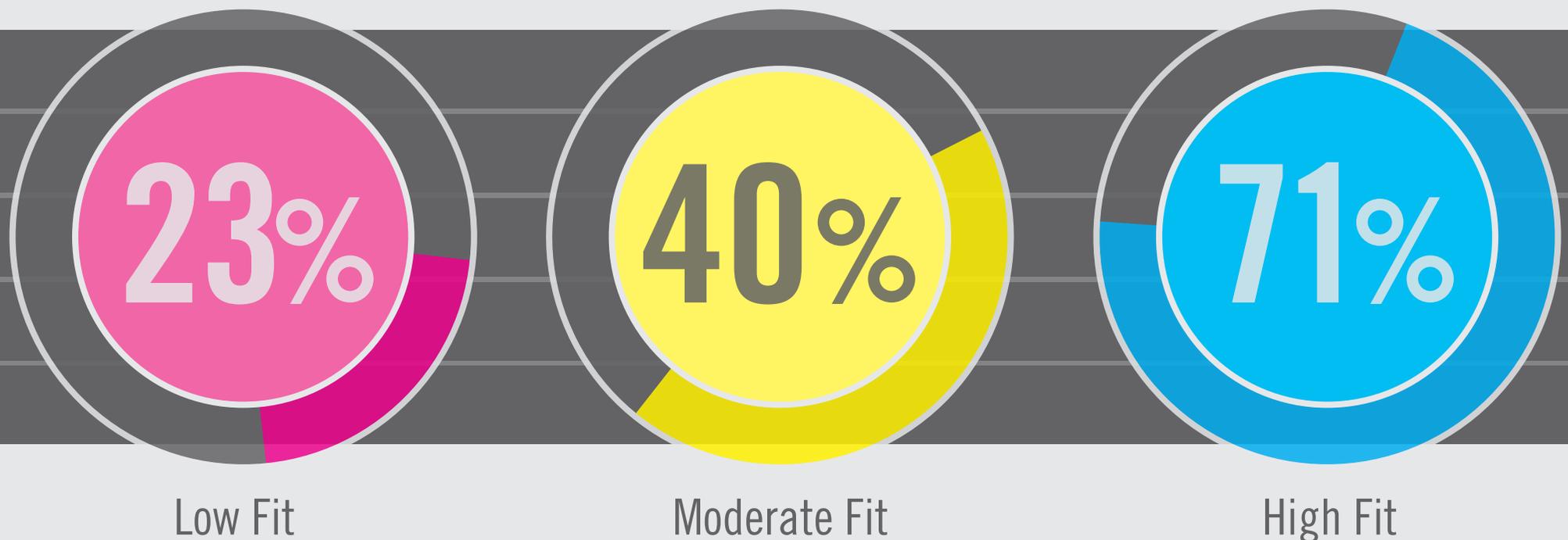
Strong Sales Performance



Increased Store-Level Sales

A Fortune 100 retailer sought to implement personality assessment into the store manager hiring process to improve its effectiveness. We found that store managers classified as high fits according to the personality-based Hogan profile were over **3 times more likely to increase their store-level sales by at least 5%** from 2010 to 2011 compared to those classified as low fits.

Percentage of Store Managers Who Increased Sales by at Least 5%



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The Bottom Line

Year after year, we provide empirical evidence, from increased store sales to improved organizational safety, of how our assessments impact clients' bottom lines. Regardless of industry sector or job type, Hogan's assessments provide a significant, long-term return on investment.