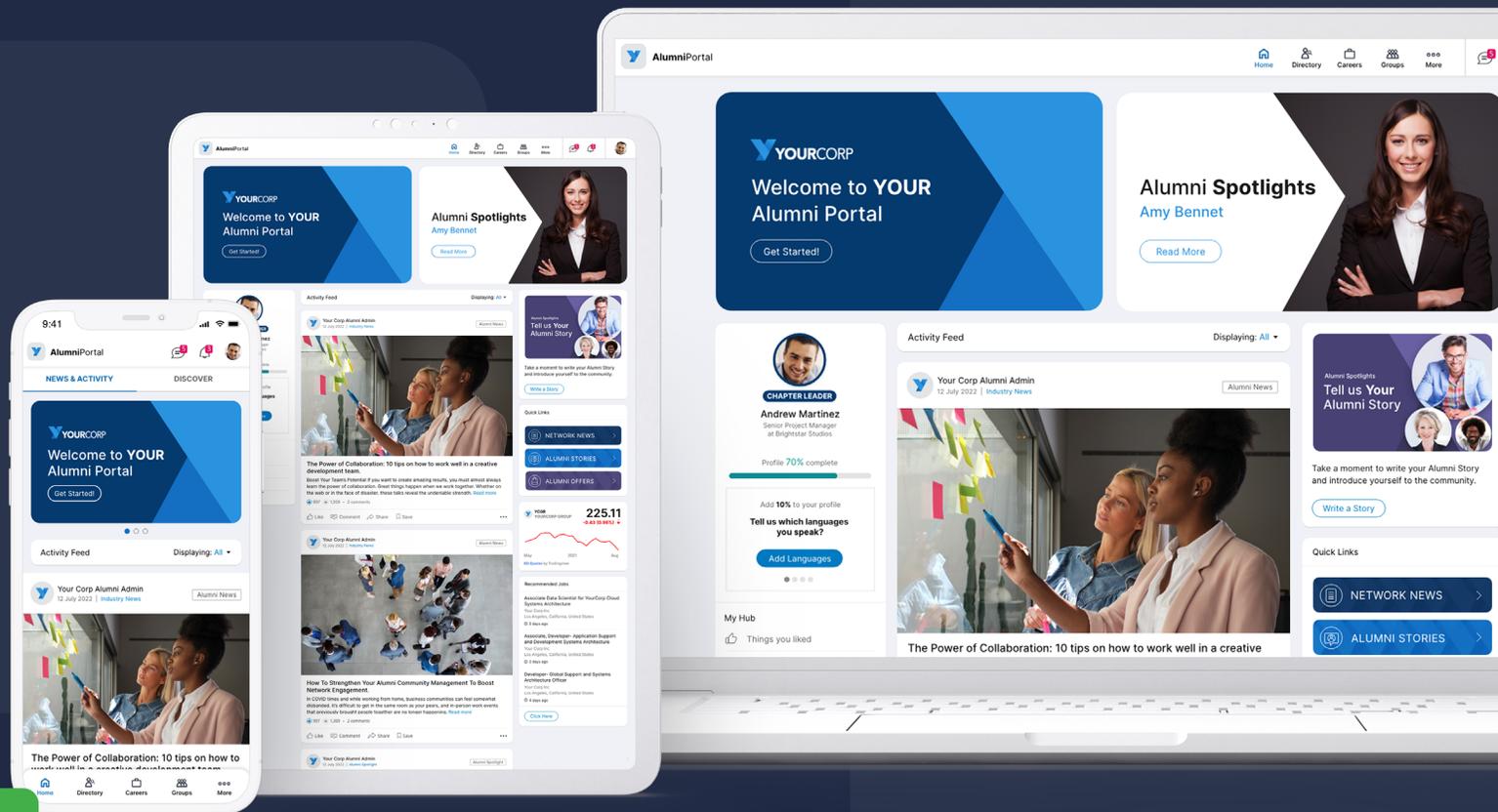


The Business Case For An Alumni Program

Why corporate alumni are essential to your 2024 and beyond people strategy, from boomerang hires, to community engagement, and fast-tracked business development.



Insights, Learnings, and Best Practices From the World's Most Successful Alumni Programs

Employment is changing. Businesses have to embrace the fact that their highly-coveted talent is no longer looking for lifetime tenure at their place of work and workplace mobility is further shortening an employee's time with your business.

Several factors contribute to shortening tenures. Prior to Covid, low unemployment rates in the U.S. (5.9% in June 2021, up from 4.9% at the end of 1999; source, BLS) meant skilled individuals had greater autonomy when choosing where they got to clock into every day.

However, Covid introduced and normalized working remotely for every organization and removed the "requirement" for employees to all be in the office. Organizations are now hiring the best person they can find for the role without the condition of being within a commutable distance.

Change happens quickly in today's workforce as their needs and motivations have iterated. People are looking for more rapid career advancement and opportunities to upskill and grow professionally.

Fact Check:

- A **Robert Half survey** shows that the pandemic has exacerbated the need for career growth.
 - According to the report, **38% of workers** feel the pandemic contributed to career setbacks; nearly one in three plan to switch jobs post-COVID.
- A Prudential Pulse report shows that, of those planning on seeking new employment, **80% are making the move for career advancement.**
- According to Global Research analyst Josh Bersin, an estimated **30% of workers** change jobs every year. With churn at such a scale, the need to keep ex-employees close is clear.
- In the absence of formal alumni programs, ex-employees often take it upon themselves to organize informal alumni groups. Most of these are on social network platforms like **Facebook, LinkedIn, and Google.**
- LinkedIn, for one, hosts more than **118,000 corporate alumni groups**, most of which have no formal relationship with their former employer.
- A well-designed Alumni program can generate as many as **17% of all hires.**
- The opportunity for businesses in all of this is to create a formal **Corporate Alumni Program** to engage and leverage their former workforce.
- Rather than waving goodbye to departing employees as they walk through the door, organizations have an opportunity to continue contributing to their narrative. It's a case of having a well-managed offboarding process that turns former employees into loyal alumni.

Statistics in Support of Corporate Alumni Programs

EnterpriseAlumni's research shows that companies that invest in lifelong relationships with their ex-employees consistently outperform those that do not.

Companies with engaged online alumni communities start yielding accelerated results after two years. In fact, up to 24% of a company's alumni will apply for a job at some stage in the life of the alumni program, even though the cross industry average is around 4%.

For alumni networks two years or older, they can expect the number of alumni expressing interest in a role in a year to be roughly the same as the number of active users in a month. Given an organization's alumni pool is often many multiples larger than its current active workforce, the number of alumni applying for jobs can represent double digit percentages of overall hires.

Financial services firms in particular benefit immensely from active and engaging online alumni programs. The number of alumni applying for jobs as a % of total applicants can be as high as 16%, and 37% of alumni applicants are the result of initially expressing interest in a role that they otherwise would not have applied for.

Given alumni's understanding of the company, pre-existing network within the company, and positive sentiment towards the company given that they are willing to return, it is no surprise that programs have employees who are more likely to succeed in their role and be considered a more successful hire.

In fact, companies with robust employee experience programs have employees who are:

+33%

more committed to the company's culture and purpose.

+5%

more engaged in achieving organizational goals.



98% of **Fortune 500** companies have some form of Alumni Program

Average Employee tenure is now **down to only 4.2** years

Brand advocates are worth **5x** more than the average customer

72% of past employees would **return** to the company if the opportunity arose

Boomerang hires have a **44%** **higher retention** rate over three years

Businesses that actively engage their alumni **increase net new business** by up to **44%**

Alumni campaigns can drive a **4.5%** **increase** in Glassdoor approval ratings

Former employees and referrals are the **#1 & #3** **quality sources** of hires

The average **stranger hiring failure** rate is **46%**

“

A corporate alumni network helps to foster trust, investment, and benefit for employee and employer in an era where lifetime employment is no longer the norm.”



- Reid Hoffman, PayPal alumni
and founding member of LinkedIn

Why Do Alumni Have to Be Part of the Employee Experience?

In the HR Technology 2021 Report, Josh Bersin explains that Employee experience leaders have a new employee experience to think about. He includes corporate alumni in the flow of work, also known as the employee journey.

Thirty years ago, talent management followed a pre-hire-to-retire workflow process. Today, upwards of 35% of Americans work part-time or on a gig or contract basis. This has widened the berth of who is considered an employee. It has also changed how HR interacts with the total workforce.

Now, these new angles are pushing ex-managers to consider the 'whole employee' when mapping the flow of work.

Tracking this journey across the entire employee lifecycle, including alumni, ensures that HR can measure and improve elements of the employee experience. Doing so creates structure and consistency, contributing to improved brand sentiment, employee retention, engagement, productivity, and more.

Businesses that acknowledge alumni as the final step in the employee experience open the doors to a network of pre-qualified talent that is primed for continued collaboration.



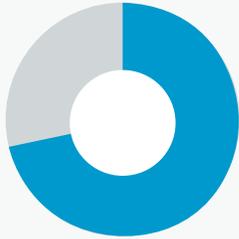
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As if the pandemic hasn't put enough pressure on people and organizations they work for, we have a new set of challenges facing the workforce. Economic growth on the one hand, and a massive labor shortage on the other.”



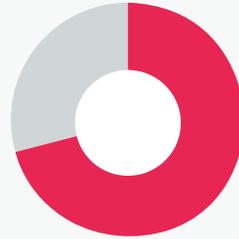
- Emma Sinclair MBE
CEO, EnterpriseAlumni

Workplace Trends That Drive Alumni Programs



73%

of millennials are willing to engage in contract work



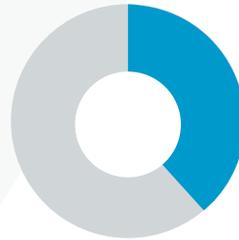
72%

of past employees would return to the company if the opportunity arose



76%

of HR professionals say they are more accepting of hiring boomerang employees today than in the past



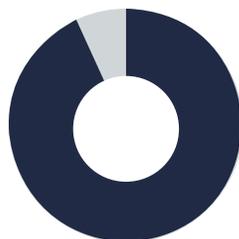
33%

of HR professionals and 38% of managers agree that already being familiar with the organization's culture and fewer training needs are the biggest benefits to hiring back former employees



40%

of HR professionals say their organization hired about half of their former employees who re-applied for a job with them



94%

of employees would stay with an organization longer if it invested in their careers

The Proven Business Benefits of an Alumni Program

Recruiting and boomerang hires are usually the first to come to mind when considering the immediate benefits of an alumni program.

But, dig deeper, and you'll find key areas where a healthy and engaged Alumni ecosystem adds profound value to your organization: Brand Ambassadorship.

When employees leave on good terms and continue to engage with and receive the support of the organization, they become brand ambassadors. They actively talk about your brand, framing it positively, and continue to sing your praises to the outside world. Importantly, they are willing to send hiring and business referrals your way.

Alumni Reviews Are An Advantage In Hiring

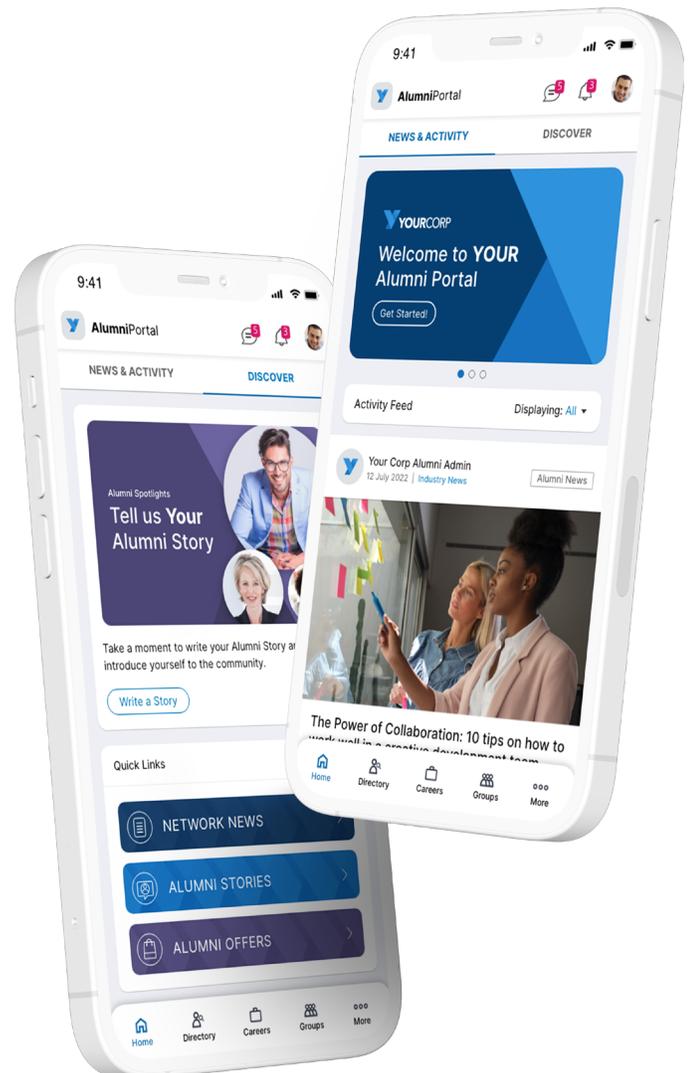
Recent statistics show that candidates trust a company's employees and former employees **3x** more than the company itself when it comes to providing credible information on what it's like to work there.

Additionally, a company's retention rate is ranked as a top metric by **38%** of job seekers, and **72%** of recruiting leaders across the globe agree that employer brand has a significant impact on hiring.

Corporate Social Responsibility (CSR)

CSR is embraced by the world's largest and most successful organizations. It is one of the aspects of the business that former employees miss the most when they leave. Through a continued connection, alumni can stay actively involved in volunteering or your pro bono and public service activities.

Organizations establish a corporate alumni program for many reasons - brand advocacy is at the top of the list for all



Employee Resource Groups (ERGs)

Alumni are often involved in your ERGs. These employee-led groups form personal affiliations around shared interests, backgrounds, and bonds.

Alumni can continue to create a positive work environment by actively contributing to the organization's values and mission through these groups.

Global Mentoring

Alumni mentors have direct experience working in your organization and understand the landscape. A Deloitte survey showed 68% of Millennials who plan to stay with the same organization for five or more years were twice as likely as their counterparts to have had a mentor.

Business Development

Companies that maintain ties with alumni have a boots-on-the-ground understanding of what their competitors are doing.

An alumni community can become a business development funnel by virtue of their placement in the outside world, combined with their knowledge of your business. Because alumni often stay in the same industry and ecosystem, maintaining relationships can create new business opportunities and partnerships. Not to mention, with innate knowledge of your business' value propositions, sales cycles can be shortened and decision maker buy in reached that much more easily.

Diversity, Equity, and Inclusion (DEI)

As businesses plan for a more diverse and inclusive workplace, alumni need to be considered as well. CSR is embraced by the world's largest and most successful companies. By leveraging the diversity of alumni as a talent pool, businesses gain access to more knowledge, perspectives, and experience.



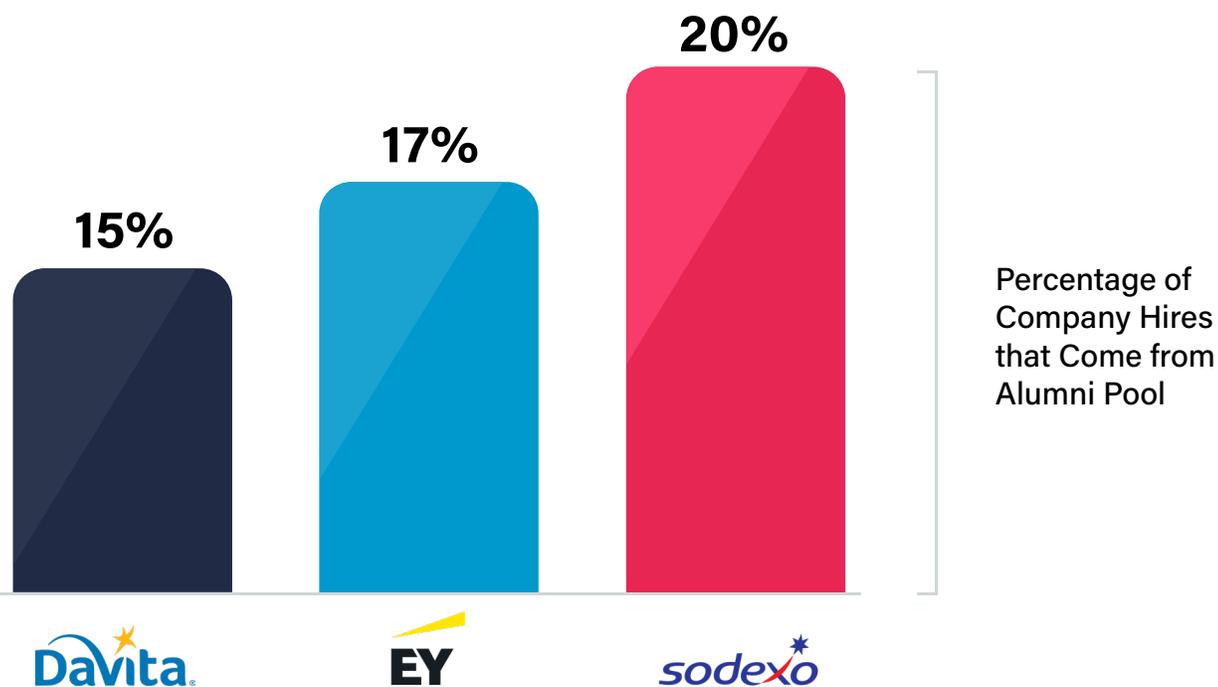
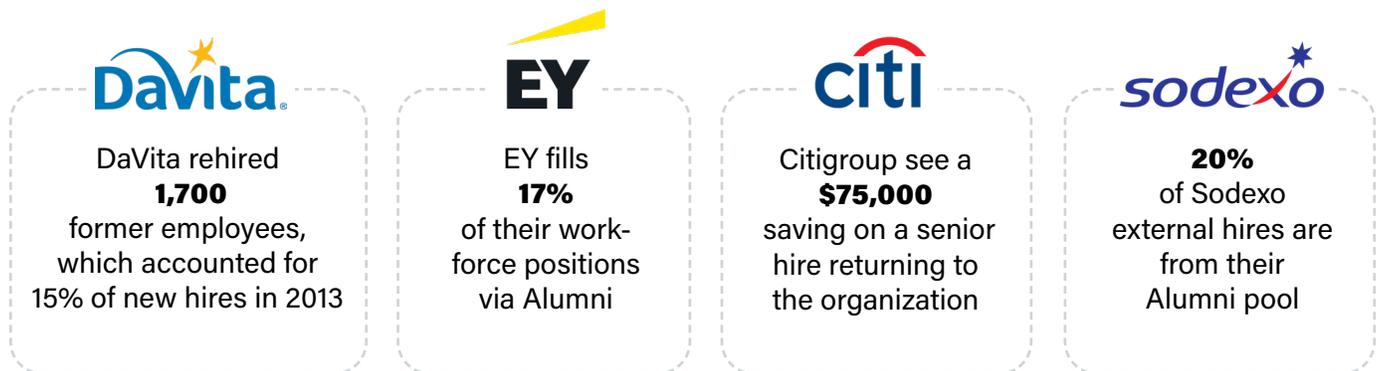
Well-Known Enterprises With Strong Alumni Programs

PayPal's informal alumni connection is the stuff of legends. Many of them became founders of some of the globe's biggest organizations, including Tesla, YouTube, Yelp, and LinkedIn.

Today, LinkedIn uses EnterpriseAlumni to stay connected with its former employees. As does Coca-Cola, Google, PWC USA, JP Morgan, Blackrock, and others.

The recent proliferation of consumer-led alumni groups available via LinkedIn has already been mentioned, but corporations have long been wise to the benefits of a structured alumni program. For instance, Citi will be celebrating their 10th year anniversary of alumni this year.

Companies That Value Rehire Via Alumni:



How Do Organizations Ensure Their Alumni Take a Seat at the Table?



Coca-Cola Personalizes Engagement

“The purpose of the Alumni Community is to promote a sense of belonging, encourage the pursuit of personal and professional enrichment, and empower one another to make a difference in local communities.”

- Rebecca Barker Cedrone, former Director of Alumni & Community Marketing, Coca-Cola Company

Working with the EnterpriseAlumni Team and Employee Experience Consultancy Xplor, Coca-Cola built a strategy for understanding their alumni population, the needs and values of alumni globally, and a phased approach to consistently iterate the offering.

By focusing on six key alumni persona, they could engage a broader audience and serve their evolving needs more intentionally.



Ernst & Young Builds Relationships

“At any time when trying to chase new business, trying to meet somebody, trying to break into a market, it’s all about who you know. Accessing your program, you know where your alumni are and how to engage them where they are. It’s this impactful information that you can use to leverage relationships to provide support to your organization as well as your supply chain throughout recovery.”

- Michael J Destefano, Global Alumni Leader at Ernst and Young

Michael Destefano, Global Alumni Leader at Ernst and Young (EY), believes the answer lies in a strong network of relationships: customer, employee, supplier, business, and alumni relationships.

As head of one of the world’s largest alumni communities, he says now’s the time to rethink your alumni strategy.

McKinsey & Company

McKinsey & Company Uses Data To Stay Connected

“McKinsey probably would not have traveled the path to prestige so easily without one distinctive company practice, the same one that new recruits might find so odd – McKinsey celebrates departures by building their alumni network.”

- David Burkus, best-selling author, award-winning podcaster, and management professor writing for Forbes

McKinsey & Company’s extensive alumni program encompasses some 30,000 former consultants spread over 100 countries and is known for being data-driven.

Sean Brown, former global director of alumni relations at McKinsey & Company, spoke at a Global Leaders Summit in Oxford in the UK about their approach to alumni relations best practices.

First, offer a unique value proposition that includes career services, access to the firm’s evolving vision, and exclusive alumni networking. Second, use a secure platform that creates a trusted environment. Lastly, create a culture of engagement that starts from the moment a consultant joins the firm.



Microsoft Offers Extensive Alumni Benefits

“If we (alumni) have been given these gifts and these talents and these experiences - I think it’s super important to give back.”

-Microsoft Alumni Jose Pinero in a series of Conversations That Inform and Inspire

An Ipsos survey of 18 to 34-year-olds showed 65% of millennials are driving the experience economy by buying into real-life experiences instead of material possessions.

Point in case here is Microsoft’s extensive Alumni Network benefits align with this desire. The organization gives its 48,000 alumni members across 51 countries opportunities to promote their own events and attend exclusive alumni network fairs, famous alumni speaking series, philanthropy resources, and participation in the Microsoft for Startups program.



Citigroup Integrates Alumni In Their Business

"Our Citi Alumni Network provides you with opportunities to stay in touch with our firm, network with fellow alumni, find new opportunities, and continue contributing to -- and benefitting from -- the rich legacy you helped build!"

-Jane Fraser, Chief Executive Officer, Citigroup Inc

Citigroup Inc is another multinational that has invested in an alumni program using EnterpriseAlumni. The organization has over 27,000 active alumni in 98 countries.

Andrea Legnani, the Global Head of Alumni Relations at Citigroup, says when discussing the ROI of an alumni program - always the hardest sell upstairs - he highlights the savings companies can make in the rehiring process.

By drawing on your alumni to refill positions lost due to the pandemic, for instance, organizations can save between \$50,000 and \$75,000 per rehire. These employees need minimal retraining and induction into the company, and you don't have to risk a limb with stranger hire - Andrea Legnani, Citi



Google Alumni Support New Startups

Alumni can help each other build their businesses. One alumni program that is really good at this is Google's Xoogle.co community. It consists of teams of Google alumni and current Googlers, as well as startup founders, VCs, mentors, and angel investors.

They are actively involved in helping each other advance in the startup ecosystem, giving rise to some of the most successful startups, such as Instagram, Pinterest, and Quip.

Where Does the Program Live Within The Organization?

An Alumni Community Manager (CMGR) is the go-to person between the company and its former employees.

For many companies, the HR department will handle the responsibility of CMGR. Other companies believe the management of the alumni community sits with the Business Development or Marketing team.

Either way, these processes need to be managed by a team that possesses the skills required for community engagement, stakeholder management, project management, data analytics, and relationship management.

Ideally, they should have a collective understanding of HR, Marketing, and Business Development. They should also know how to connect the dots, understand the business's pain points, and direct alumni talent to the internal departments that need them the most.

What's In It For The Alumni?

To identify mutually beneficial opportunities, you need a comprehensive database of member-specific information about your community to draw from. This includes job roles, skills, needs, and geography.

The kind of rewards and benefits that attract one person to join an alumni network may mean nothing for the next. Millennials prefer experiences, while retirees may like to share thought leadership pieces. Others may appreciate access to the services or products they enjoyed while working at your organization, or getting some alumni swag.

When building your alumni program, don't lose sight of 'What's In It For Me?'. Not even your biggest brand ambassador will allocate time and talent to your business if you can't show them a clear benefit or reward.



How to Start an Alumni Program

Start With Support From Above

Make your case with the C-suite with the correct data at your disposal. Innovative platform features, templates, ROI calculators, presentations, and point-of-view spreadsheets are the tools you'll employ to make your case.

Frame your alumni program as a service provider for the business, just as HR serves employees, and IT serves the network needs.



Get Support From Within

Inform new recruits of the alumni program during onboarding and communicate the USPs to employees in an authentic and compelling way. These could be:

- Business insights from retirees
- Cost-free focus groups to assess new products or services
- Widening of lead funnels through business contacts
- A seamless digital experience with personalized digital content
- Knowledge sharing for career and leadership development
- Networking and events

Once you succeed in making these benefits clearly understood, exiting employees will likely be keen to enjoy the advantage of being part of your network when they move on to new opportunities.

Keep The Community Engaged

Research into alumni engagement shows alumni are most interested in continued education, relevant news, and recruitment opportunities from their former employer.

They appreciate opportunities to access knowledge, insights, and skills. They are less interested in resume builders, general news, and applying and searching for jobs.

Engage your alumni by offering opportunities to connect and access community programs such as ERGs, volunteering, and mentoring. Highlight the program to new recruits, and develop unique experiences for each alumnus. Crowdsource content and keep communicating timeously across the proper channels.

“*EnterpriseAlumni is a very important technology, specializing in unique experiences for employees. I believe more and more.*”

- Josh Bersin



Thinking of launching an alumni program? We'd love to help, get in touch with our team!

hello@enterprisealumni.com