HR technology is the answer

- but you must ask the right questions

Improve the success of HR systems implementation

HRzone

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Introduction

HR technology is the answer - but you must ask the right questions

HR directors in companies large and small are grappling with selecting and implementing HR systems that need to enhance the business and add long-term value.

I've spent 25 years seeking answers to HR challenges from technology, including time on the executive committee of Direct Line Group and the T-Mobile board. I've learned a lot along the way, through multiple implementations in very different businesses.

What have the last 25 years taught me about implementing HR technology?

As HR directors, we pretty much have the HR systems that we asked for and yet most of us agree that our HR systems do not meet our expectations or those of the business.

Why? We asked the wrong questions during selection and implementation.

If we'd asked the right questions, our systems would be performing just how we need them to.

But what are the right questions?

I'll be covering the questions you need to ask when:

- Selecting the vendor
- Deciding on priorities the new HR technology must address
- Implementing the project
- Going 'live' and transitioning out of the project

With a solid understanding of what you need to ask at each stage, you should find that implementing new HR technology is much smoother, and that the technology meets your expectations and those of the business.

Mark Martin

The questions to ask

WHEN SELECTING THE VENDOR:

These questions will help you choose a vendor with the mind-set, priorities and experience that will be able to answer your follow-up questions around implementation and delivery. Only the right vendor will be able to find the answers to your questions.

1. Is the vendor selling a 'multi-tenant SaaS' system?
Many HRDs shy away from the new multi-tenant SaaS systems as they think they are new and therefore less proven, whereas the tried and tested legacy systems have been around for years.
This is back to front. The legacy systems offer you the opportunity to bespoke your system. That is, legacy software vendors will build unique systems just for you and your needs. That means you have no idea if it will work until you switch it on. Whereas a multi-tenant SaaS system with more than one customer is proven to work. You may not like the system for what it makes you do but you know it will work.

2. Don't build it, buy it!
If you don't know HR technology don't task yourself with building a bespoke system that will only work if you get the brief right to the legacy provider. Use a system where all the customers share the same core system. You know it works and you know the updates will work. Again particularly true for smaller business, ride on the back of proven implementations.

3. Does the vendor have a well-established customer group?
Talk directly to their customers. If they don't have a customer group or they are not keen for you to talk to them, move onto another vendor. Smaller companies really benefit from these close customer groups. If you have a problem, such as fitting a process to the system, ask the customer group, as one of them will almost certainly have solved that problem before.

The questions to ask

4. Are they ready and set up to listen to you?
Can the system be configured to meet your needs, either by the vendor or by you? Don't take their word for it, ask then to show you or failing that talk to their current customers. If you feel you are working too hard to get them to understand your unique problems, move on.

5. How often do they release an update?
If it's less than once a year, move on. Life and technology are moving too quickly to update your system every year or two. Customers must tell you that the update process is regular and relatively painless, if not move on.

6. What % of their last update were changes or improvements requested by the customers?
If they don't have any idea, move on. If it's less than 25% move on. For a multi-tenant system to work they must be listening closely to their customers and the customers must be listening and interacting with each other. You share the system; if the vendor 'gets it' they know how important this community is.

7. Have you got the desktop and IT infrastructure to support their system?
You must ensure your IT function can accept the vendor's 'minimum operating requirements.' Do not allow the IT function to choose your vendor or system and don't accept their first answer if they say no. However, ultimately, you must ensure the system will work in your business.

8. Will your people managers use it? Will your employees use it?
Usability is far more important than the **capability** of the system. Much of the capabilities of 'old' HR systems are never used. You should not be asking what the system can do but what the managers and employees will use it for. What functionality is most USED by their current customers? Does the vendor even know? This can lead to further questions.

The questions to ask

9. Is it 'mobile'?
Look around you! If you want people to use the system it will have to be mobile-friendly. Preferably they need to be able to use their own devices to access and use the system and be able to decide when they want to access it.

10. Are the vendors interested in your current processes?
Have they even asked you about your current processes and system interfaces? Have they any idea where your implementation may have problems? If they are the right vendor they will try to understand your current situation and they will be honest and aware of potential 'hot spots'. No system will ever fit your circumstances perfectly.

11. Is configuration in the blood of the vendor?
Legacy systems start from wanting to design the whole system, getting it right (in the vendor's eyes), whereas the right vendor starts from wanting the user to configure as much as possible. To maximise usability you must maximise 'configurability'.

12. How easy is it for the user to access the management information they want to see?
The quality and accessibility of a system's MI must be a big part of the sell as it will be a big part of the value your system will add. If it's not a big part of the sell, move on.

The questions to ask

WHEN SELECTING THE PRIORITIES THAT THE NEW SYSTEM MUST ADDRESS:

1. What are the strategic HR priorities for the business? This must be the starting point for any investment in technology. When I had the money to change all the systems at the Direct Line Group, I was excited about the opportunity to buy a system that would transform learning, that would give us real talent management, that would automate performance management and would provide great MI to the executive committee. However, they were not the business priorities. We had to prove our ability to operate independently from RBS before 1st June 2012, we had to be able to implement new contracts and new T&Cs and be able to prove that we had control of that spend.

2. What expectations should you set with key decision-makers? How much should you promise the executive committee or key decision-makers to get the investment versus promising so much you are set up to fail? This is a difficult question to get right. The key is not to start from what the vendors say their system can do. And definitely not with them presenting your investment case. Start with the strategic priorities already agreed and then ensure the new systems can deliver the expectation levels you set. An HR system implementation can be perceived as a great success, even if things get delayed or go wrong, because expectations have been met.

3. What are the early priorities that must be delivered to meet these expectations and retain business support? Moving from a business that does not fully use its current HR systems, if they have them, to a business that does and has people managers fully owning the management of their people, is a project that will take time. You must map out this project but set out early wins and take the low hanging fruit! Constantly remind the stakeholders of these priorities. The smaller the business the closer the decision-makers are to the project and the more important it is to manage the expectations.

The questions to ask

WHEN SETTING UP THE PROJECT:

1. How should I manage the implementation?
The answer to this will depend on the kind of HR solution you've chosen to implement and the resources you've got available. Even if your choice is to go with a single supplier, avoid integration and configure the solution yourself, there will be wider implications that need to be considered.

2. What are the implications for your current HR function?
Your pre-implementation HR function may be different from the function you need post-implementation. Who will be impacted and when? You must establish a robust engagement plan for your function as well as the business before implementation. In smaller businesses the project team may be the current HR team. You must ensure key players in the project have the right motivation.

3. Who in HR owns the implementation and therefore should 'lead' the project? It's important to remember that those directly involved in the implementation are building something that others will have to live with. Get everyone heavily involved in the design and implementation, but avoid the current team losing focus on the management of the function.

4. What is the optimum number of interfaces? One integrated system will give you the minimum number of interfaces. Compare this to having one core system but buying in many 'best of breed' systems which may give you a better set of solutions but will maximise the interfaces. Every interface is a potential risk, additional work, increased complexity and a potential problem when any of the different systems

The questions to ask

are updated. You must compare that to the ability of the single integrated system to deliver to the expectations of your 'customers', the end users. You may need to plan out when you would turn off an extra best of breed system and turn on the functionality of the core HCM system. Smaller companies would be well advised to minimise the number of interfaces or look for solutions that have "out of the box" integration capabilities.

5. What is the role of IT, finance, risk, legal, people managers, employee reps and the HR function in the design and implementation of the project?
In big organisations, you'll have a number of stakeholders to deal with. They must all be engaged and involved. Importantly, multi-tenant systems, where you are 'sharing and renting' systems rather than 'buying and owning' exist in a very different world for finance, risk, legal and IT. In short, the vendor will take the lead on a number of things, like updates. In the old world nothing changed without everyone in the business agreeing first.

6. How much time and money do you spend on managing the risks? Where can you not afford to fail? You must do an early risk assessment. Here is one for free – "never, ever put payroll at risk." Take your eye of the payroll 'ball' and your HR system project will fail. What works now with payroll and what doesn't? Know how payroll effectiveness is measured now so you can show that you have, at least, maintained standards post-implementation. The business has a short memory.

The questions to ask

WHEN IMPLEMENTING THE PROJECT:

1. How will you integrate the governance of the project and the governance of the function?
Do not run the project and HR separately. A successful implementation needs everyone in HR to be engaged and it needs everyone in HR to prepare itself and the business for the implementation. Remember there is never a good time to transform your function through systems. There is always going to be a peak in workload as the new meets the old. The bigger the business the bigger this issue will be.

2. What current practice and changes can you live with?
Whilst preparing to transition to the post-implementation world you are still in the old world. You need to make some sub-optimal decisions, such as continuing to train managers in the old performance management system when soon after you need them to be trained again on the new system.

3. What support do I need to implement?
The workload peaks in the months leading to the transition – don't under-resource! Remember most implementations to date have failed to meet expectations; this is not the point where you save money. Better to reduce functionality but improve implementation success. In small companies or when you have tight budgets you should compromise functionality before you compromise the time and money you allocate to implementation. Particularly if most of the current HR function will be impacted. This includes gaining and maintaining stakeholder support.

4. What is the true state of the current HR processes and how do you manage their effectiveness?
What changes in HR processes must be made first before the systems can be implemented and how will you show the added value? Again, the business will have a short memory.

The questions to ask

WHEN GOING 'LIVE' AND TRANSITIONING OUT OF THE PROJECT:

1. What 'event' do I use for the 'big bang'?
First impressions are everything! Once you are ready to go, choose an event like a new performance management process or the start of a new holiday year. Something you are confident will be seen as much better post-implementation of the new system.

2. What do I need to communicate, to whom and when?
Be clear with your function and the people managers what will change and when. Communication is critical at this point. Most people fear such implementations due to the poor history of such events. Rumours will multiply.

3. How and when do you transition from project to ongoing business? Even if you have integrated the ongoing function with the project, at some point a lot of focused and skilled resource will leave. Just at the point when first impressions count. You don't want to stumble at the start. Smaller companies are very vulnerable here as they have less, and sometimes no, project resource with experience in and focus on the transition.

4. When do you switch off the old interfaces? If you are moving from an HR legacy system, what features from the old system must be proven in the new world before being switched off, such as security IDs, absence, overtime etc?

5. When do the project leads hand over to the 'configurators'?
I think I have invented that word, configurators. They are the much less expensive people who will work with you and the business (and IT if necessary) to ensure you constantly configure the system as you want it. When do you let the much more expensive and experienced project or HR people hand over to your configurators? In smaller companies there is a danger that the project is handed over to IT rather than someone in HR learning how to configure the system. Knowledge of HR and the HR processes is far more important to being a good configurator than knowing IT.

Summary

HR systems do not do everything we want them to do, but if you ensure you start with the business needs and go from there, you'll be buying systems that meet your core deliverables rather than starting with technology and seeing what it can do for you.

Whether you're buying HR technology for an SME or a blue-chip multinational, ask the right questions at each stage of the selection and implementation process and you'll keep the project on track. At the end your HR system will deliver value because you'll have judged it against your core criteria at each stage of the process. This is very important – don't forget that however shiny the HR technology is, it needs to deliver against your business objectives.

These questions provide the foundations for your HR system to achieve what you need it to achieve – the foundations must be strong, otherwise it doesn't matter how big and grand the technology is, it will fall down.

Finally, don't be scared of SaaS – it's an agile approach to software that has a proven track record of delivering value.

About Cezanne HR

We've built something special at Cezanne HR; a powerful, configurable HR software solution that's simple to deploy, easy to manage and remarkably cost-effective, whatever the size of your business.

Most of the HR solutions on the market today fall into one of two categories. Simple and cheap, or sophisticated and expensive. The first are easy to deploy and straightforward to manage, but rarely offer the range of features or flexibility needed by today's HR-savvy businesses. The second are bigger in scope and include advanced time-saving features – such as automated workflow, HR analytics and international capabilities. They are also built to be customised or configured to fit specific company requirements, usually at a high cost in terms of implementation and maintenance overheads.

Thanks to our innovative Cloud-based architecture, Cezanne OnDemand offers the best of both worlds. It provides many of the advanced features of enterprise-level HR management solutions, but can be deployed faster, updated more frequently and configured by customers more easily – but still costs a fraction of the price of these older-style enterprise HR systems.

We haven't sacrificed sophistication, performance or security – but we have taken out cost and complexity. You benefit from an affordable HR solution that is quick to deploy, easy to manage and lets you achieve more for your business and your people.

www.cezannehr.com