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Guest Editor

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aving recently returned from the 2004 IHRIM HRMStrategies conference in Orlando, it's clear that total cost of ownership is a key metric for HRIS, especially in a struggling economy. This year's hottest sessions focused on outsourcing, and much of this buzz and pressure is coming from high-level management. There seems to be a belief that outsourcing is a new way of saving money in the long term. It's very clear that justifying your business case, and demonstrating return on investment (ROI) for all projects is now standard procedure. Now that HR has finally got their seat at the proverbial strategy table, they are responsible, just like the other members of the team, for showing an ROI for all of their projects and initiatives. This issue of *IHRIM.link* takes a look at the many facets of ROI – from understanding the metrics that can help you prove a business case, to looking at a more strategic way to determine ROI.

Kevin Carlson gives us an excellent update on how critical metrics are in his article "Having Trouble Keeping Up with the Changes in HR Metrics? Hang On – We're Just Getting Started." He makes the argument that because we now have better access to data, and more tools for manipulating that data, we have a responsibility to "re-evaluate our metrics" and ensure we are properly combining financial indicators with other statistics in

order to give us a clear dashboard view of our current state.

In "Using ROI to Win HR Dollars," Anne Clifford walks you through the basic process for building a business case using ROI. She reminds us of the steps in the process, gives some good suggestions on important supporters whose buy-in is critical, and gives us a checklist for cost considerations.

Ken Erffmeyer, Suzanne Hanson, and Pete Semetis collaborated on "Determining ROI for Business Process Outsourcing: It's Not Just About the Money," which is a very timely topic, given the interest level in outsourcing at this year's conference. Yet, they point out an often-overlooked fact – that it's not just about the money. If money is your company's key driver for outsourcing, chances are your goals will not be met.

Finally, Alexia Martin, who presented at this year's conference, helps us move beyond the single project approach to ROI in her article entitled "A Strategic Approach to Justification: Based on a Total Cost of Ownership Portfolio Assessment." She reminds us that justifying phase two, or an additional project, often requires that we take a fresh look at the big picture and our blueprint for future growth, in order to reaffirm our strategy and ensure that additional cost outlays are in line with our long-term vision.

In summary, this issue focuses on find-

ing ways to justify the additional cost of projects we want to implement – whether that project is a new HRIS system, a new module, additional employee/manager self-service, or outsourcing of a specific function. With the tight hold on company purse strings, showing the ROI of a project is a required step along the process of project approval.

Susan Leszczewicz was in charge of our department authors for this issue and delivered a strong set of articles. Thanks for stepping in to help, Susan! With this issue, we say goodbye to four *IHRIM.link* editorial committee members: Shelley Buck, our former chair and fearless leader who has been on the committee for six years, as well as Brian Sommer, Jay Fernandez and Irwin Kroot. Thanks to all of you for your dedicated service to IHRIM. We also welcome three new committee members this year: Jason Averbrook, Nancy Pendergast and Melanie Rembrandt. We look forward to your input into our publication, and welcome aboard!

COMMENTS?

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