



Seven Key Tips for Successful HR System Evaluations in 2015

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In the mid-1970's, the idea of using technology in Human Resources was just beginning and in a few years there would be the release of the first computerized system for HR. While it was elementary and basic, our systems have continued to grow and expand in complexity. Also in the mid-1970's, there was a song written by Peter Allen called "Everything Old Is New Again." That could not be truer when it comes to evaluating and selecting HR technology in the current world.

During our careers most of us have been involved with an HR software evaluation in one way or another. However, as the industry delivery models have changed to be more focused on Software-as-a -Service (SaaS), many of the original processes we learned are slightly different today.

System evaluation and selection is not a process done daily. There can be years since the last time this skillset was required and many elements of the process could have changed in that time. It is always best to refresh your knowledge base before embarking on such a project. Recently, there has been much activity on IHRIM CORE on the topic of software evaluation, and also at the recent IHRIM Conference about the processes to follow. When selecting new software the following steps can help guide this complicated process:

Seven Key Tips for a Successful Evaluation

1. Have a Strategy and a Plan

"One day Alice came to a fork in the road and saw a Cheshire cat in a tree. 'Which road do I take?' she asked. 'Where do you want to go?' was his response. 'I don't know,' Alice answered. Then, said the cat, 'it doesn't matter.'" – Alice in Wonderland

If the company does not have a valid strategy and method by which all component parts will fit together, it makes no difference what software is being chosen. However, without a valid plan the odds are that the chosen software may not perform adequately and the process will be repeated again soon. Human capital management (HCM) strategy is a step many companies still do not complete, but the impact of not creating and monitoring this can be critical to all future analysis for HR technology. Creating a strategy is fairly complex, and could require a separate article. But here is a good overview.

The first step is conducting discovery sessions. These will differ from the discovery conducted during the system evaluation, as the focus here is more about the "what" and not the "how." In addition to conducting discovery sessions with all disciplines of HR, also include key top executives and non-HR stakeholders. One of the most difficult components to obtain at this time will be the future direction and plans for the company. Remember, this will be a strategy to assist every area of the organization and not only HR.

It is important to understand which technology is currently used and what the terms of the contracts are for each. Conduct working sessions where currently-used technology is analyzed to see if the technology will be able to move the company forward, as well as accommodate any future changes in corporate direction.

From all these pieces, create the current state and desired future state, which includes a timeline for technology acquisition by year and quarter. Do not get too granular – keep the focus on the big picture. If there are multiple options being considered, discuss all options and recommend one. Be sure to vet the strategy with all those who were included in the discovery process to assure their thoughts are being represented.

Once everyone agrees to the strategy direction, a presentation must be created to "sell" the strategy to senior management. Keep the presentation at the 50,000-foot level and discuss the process involved without the detail. If there are multiple options, briefly discuss each, but focus on the option being recommended. Depending on the company, a high-level cost analysis may be needed, but should be revised when requesting the funding during the budgeting cycle.

Recommended

- If one doesn't exist, the creation, maintenance, and execution of a human capital strategy is needed.
- Get away from voluminous text documents often used with high-level presentations to convey the actual strategy to top management.
- Use collaborative software to create the strategy instead of sending the documents though email.

2. Have the Correct Resources

Assembling the correct team is vital. There should be a Core Team, Extended Team, and a Demo Team. Some mem-

bers will be on all teams. The hardest part here is getting the time commitment. In past years, staff availability has been strained and often an evaluation project is begun without knowing if team members have the bandwidth to provide meaningful and timely input.

Core Team members are those key functional people who will be involved with the entire process, and who will also be involved with making the final purchase recommendation to management. The Core Team should adequately represent all the areas within the company impacted by the new system.

Extended Team includes all members from the core team, and also members from all disciplines within the company impacted by the new system. While this will definitely include functional HR areas, it should also include some selected staff members who work in stakeholder or front-line types of positions. These are important to get the system adoption needed after implementation.

Demo Team usually contains everyone in the Extended Team, but they may include subject matter experts (SMEs) from various areas impacted by the new system. These SMEs normally attend the demo portions which will impact them the most, but do not always attend the full demo.

Use External Resources. If there is budget, consider using a consultant to assist in the full process or pieces of the process. They are most effective during strategy development, discovery, vendor list creation, requirements match to vendors, and demo. Used effectively, this resource can save a lot of research time, as they usually have extensive knowledge of both the vendors and templates to move the process forward. They can also be utilized in getting vendor references, contract suggestions, and other due diligence.

Recommended

- Inclusion of stakeholders. Systems are being used more by non-HR staff. Important to know what they need.
- Using a temp service to back-fill some of the company staff members who will be needed near full-time on the evaluation.
- Using a consultant for the areas where you most need their assistance.

3. Have Good Requirements

It is important to include all functional areas that use the system in the discovery sessions. Discovery sessions will elicit all of the requirements needed for the system. This time the focus will be on the “how” things are being done. Focus on any significant or unique process that may need to be accommodated in the new system. Interviews should be done with each functional area and usually require a minimum of one hour. During the interview, the important issue is to gather facts, not debate what is being said. If the current system contains a functionality, and it is perceived as not working, then the functionality does not work.

Once the discovery interviews are completed, create a requirements document. Requirements should be brief, but completely understandable. Each requirement should also be given a priority. It is best to keep the priorities simple

and minimal, and consensus should rule.

Global requirements and nuance should always be considered. Even if the company is not global today, the evaluation is selecting for the future, and it takes only one decision before the company could need global functionality. The requirements should always consider if a function can be done globally, so the final system selected will be scalable to any future corporate changes.

Recommended

- Focusing on only those processes that are unique and not items which will be met by all vendors.
- Using collaboration software in the creation of requirements.
- Keeping the priorities to a minimum, not overcomplicating things.

4. Focus on Leading Edge Technology Use

Not all companies will use newer technologies in the same manner. These technologies can include some of the more advanced forms of direct access, mobile technology, and social media. It can be hard to thoroughly understand how employees may use the newer technology, but do not underestimate the technology-savvy of the employees. They could be running a little Web business after hours from home.

If considering mobile, make sure everyone understands how the mobile version will work. Is it an app or just a duplication of the screen on a mobile device? Many features that work on a big screen can be difficult and cumbersome on a mobile device. Be aware of how you will actually use the features.

While the new system should include all the latest technology innovations, focus on the technologies that fit best within the corporate culture. These are the ones that will be immediately critical.

In addition to new technologies, understand which browsers the target system will support. Previously, it was only important to understand the browsers supported, but now the actual versions supported must also be known. It is possible to choose a system that supports approved corporate browsers, but does not support the version being used. Adoption in this case can be spotty.

Knowing the actual user experience under each browser type is another issue. Functionality can vary from browser to browser. Make sure functionality is viewed under each browser to understand how each will be used.

Recommended

- Understand what newer technologies are supported.
- Are mobile features supported via an app?
- Know which browser versions are actually supported.

5. Use Decision Drivers

There are few (ideally three to five) elements which will drive the final decision. You do not want to make your final decision based on only the system demo. There are many different decision drivers, but usually they use one or a combination of items such as:

Vendor Viability	Technology
Functionality	Configurability
Usability	Scalability
ROI	Service and Support
Ease of Integration	Business Segmentation
Operational Effectiveness	Global

Once the key three to five drivers are chosen, each is assigned a percentage weighting, which totals up to 100 percent.

When making any decision – which vendors to include, who will demo, or vendor of choice – always come back to the decision drivers to see how each vendor would rank within each driver. By doing this, the focus of the decision process will be more objective. Usually functionality and usability are on the list and sometimes are combined. They usually comprise the largest percentage amounts.

Recommended

- Have the decision drivers be the focal point of a final decision and do not use the impressions from the demo.

6. Understanding How the Vendors Fit Your Requirement

Once requirements are developed, a method is needed to assess which vendors are the best fit and will be invited to demo. Historically, this is where you would issue a huge, multi-page RFP (request for proposal) with hundreds of questions for the vendor to fill out. Some companies still require these; always check internally with Purchasing, IT, or Legal if any specific process is required.

Remember to keep any request for information (RFI) and/or RFP as short as possible. The longer the document, the more likely the vendor will pass on responding to the request. Usually the vendor will be given two to three weeks to respond.

The object here is to bring the list down to no more than three vendors to demo their system.

Recommended

- Create a brief RFP focusing on unique processing needs.
- Some SaaS vendors may not reply to an RFP, but will send you their standard product questions with their answers.
- Require high-level system cost. Do not expect any specific numbers on interfaces or implementation at this time.
- Score the responses using a weighted numeric scale.

7. Keeping Control of the Demo and Selection

By the time this step is reached, each of the vendors being asked to demo should be a good fit for the company. But, which is the best fit?

All vendors like to show the components of their system they feel will outshine the competition; however, during the demo, the team needs to see like features and functionality

to make a valid decision. To do this, it is advisable to have a “demo script” for all the vendors to follow.

The script should be divided into functionality sections with an agenda that has start and stop times for each function. This will allow for invitations to the functional SMEs to attend specific areas of the demo. Items can reflect singular questions from the RFP or a combination of questions. Each question should be written in a clear and concise manner. Each question should be allocated no less than two minutes – ideally, three to four minutes per question.

After the demo, all should score the demo script. With the number of questions and consecutive demos, it is possible to begin confusing the vendors. A weighted average for each question should be calculated. This gives more importance to the items, which are more critical for the team. Each functional area should also have a total of the weighted score.

Using the score from the demo and a discussion about which vendor matches the decision drivers the best, the team should select one vendor with an alternate in case contracts cannot be agreed upon with the vendor of choice.

Recommended

- Don’t expect the vendor to customize too much of the demo to company specifics. Assess if the item can be done.
- Demos should be between four to seven hours for each vendor, depending on features being included.
- Follow-up focused Web demos can be done to do a “deeper dive” into a specific area.
- If possible, do the demos back-to-back and with the same team members attending all demos.

Be sure to give the entire process enough time based on the availability of the team members and other initiatives being done at the company. Usually this process, on a fast track, will take around 12 weeks. Some can be done a little shorter, but there is a larger drain on the team time. Make sure enough time is allocated. It is an important decision and should not be hurried.

Conducting a successful system evaluation is not yet a science, but by following the above steps it can become more objective. Keeping an eye on the ultimate goal and success of the system at the company can eliminate some of the hype and hysteria traditionally surrounding this process. Success is possible.

About the Author



John A. Hinojos is currently vice president of Consulting Services for HRchitect Inc. He holds an HRIP certification, and has been awarded the Summit Award, Chairman’s Award, and Ambassadors Award from IHRIM. He has served on the IHRIM Board of Directors and is currently president of IHRIM – Southern California and president of HRIM Foundation. He has been involved with HR and HR systems for over 30 years. He is also a frequent presenter on system fundamentals, evaluation and global. He can be reached at JHinojos@HRchitect.com.