

FIVE SIGNS THAT A NEW HR TECH PLATFORM IS PROBABLY NEEDED

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This pivotal question is being asked every day by organizations of all sizes whether they are a first-time buyer (“renter” or “subscriber” are more apt terms in the cloud era) or a long-time HR Tech customer with a mature surrounding infrastructure.

NFP’s HR Technology Team tackles what’s arguably the number one HR Technology-related question on the minds of HR executives: Is it time to consider a new HR system? This pivotal question is asked every day by organizations of all sizes — whether they’re first-time buyers (“renters” or “subscribers” are more apt terms in the cloud era) or long-time HR Tech customers with a mature surrounding infrastructure.

- First-timers often ask the question when a new exec comes in who’s seen firsthand how a modern HR system can improve both HR service delivery and talent management overall. Another trigger for this group might be growing to a point where HR transaction processing, reporting and analysis, and visibility into workforce issues have simply become too challenging without the help of suitable technology.
- With the “already an HR Tech customer” group, the circumstances behind the “is it time?” question can vary. There may be influential stakeholders who are insistent on the existing system for reasons outside of business justification — politics, personal relationships or job security reasons.

So how do you know when it might be time to make a change? Here are **five of the most prominent indications** that a change in the HR technology platform, or certain module components thereof, might be in order — or at least worthy of a meaningful review:

1. **Adoption and Usage Are Flat ...** even after executing a well-designed, best-fit change management program, replete with a quick-but-reliable readiness assessment, tailored communications and adoption-promoting tactics for each stakeholder group. Adoption and proper system usage are the main drivers of ROI and business case realization. For that reason, periodic checkpoints and metrics related to adoption (e.g., how much time is spent across the system, number of calls into HR for hand-holding on the system, etc.) are key both when the system is rolled out and at various intervals thereafter.
2. **TCO (Total Cost of Ownership) Is an Issue ...** typically from maintaining and linking together (aka “inter-operating”) disparate systems, although training and supporting the different user experiences can also be a heavy burden. Disparate systems also result in more processing errors. What may be the biggest time consumer for HR staff and others working directly with the data: bringing data together and harmonizing it across different structures and coding schemes to do reporting and analysis. And let’s not forget all the war stories about unbridled TCO with on-premise deployed HR systems when the customer’s IT group or consulting partner adds numerous customizations to the original source code over the years. This can easily result in major disruption and cost whenever a new on-premise release is made available by the HR tech vendor, as the customizations have to be re-applied to an updated or changed product and then thoroughly tested.

- 3. Appetite for the Cloud.** This logically builds from the “rising TCO” situation above, coupled with having much more predictable HR technology costs in the subscription model. Another motivator is wanting to take advantage of all of the new product innovations being brought to market under the SaaS (Software as a Service) or cloud model — more engaging and mobile user experiences, personalized content and resources, cognitive computing and chatbots, more robust (including predictive) analytics, etc. The combination of all of these factors is clearly fueling cloud popularity, which in turn fuels many organizations to switch to a cloud platform — from their current vendor partner or a new one.
- 4. “Silo-itis” Has Set In.** This is when various talent management modules and the processes they’re intended to automate (e.g., Recruiting, Performance Management, Learning, Compensation Management and Succession Planning) operate in a vacuum from a transaction or workflow processing, reporting and analysis, or simply a best-in-class people management perspective. Causal factors might be the lack of a unified platform or, if an organization is using multiple best-of-breed HR tech components, not getting those components to inter-operate seamlessly. For example, the outputs from the Performance Management process (using the traditional, cyclical process or more of a year-round coaching model) should ideally become inputs to the Learning / Development and Compensation Management processes. Finally, when processes and systems components aren’t aligned and integrated, it can only have an adverse effect on the ability of an organization to operate without silos within the HR Department.
- 5. Major Process Flaws or Gaps.** These can surface in any or all HR processes. They’re generally a function of sub-optimal design and/or execution, and both often relate to the capabilities and strengths/ weaknesses of a particular HR system. For example, if too many candidates are dropping off (or opting out) after the company has made an investment in sourcing and screening them ... or if the Benefits enrollment process is far from intuitive ... or if a dozen reminders are needed to get managers to complete manager tasks, the HR system being used is perhaps not up to the task.

Again, these are only some of the indications we see in our consulting engagements that probably highlight the need to “pause and assess.” Every organization has a right to reap the benefits that were expected (or “sold”) when they brought in new HR technology. If an organization isn’t getting what they paid for, they should at least do the assessment. It might not be the technology that’s the main issue, but maybe it is.

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MEET THE EXPERT



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Mark joined NFP in January 2010 to launch the company’s national benefits administration practice, which supports more than 100 brokering and consulting offices throughout the U.S. Since then He has expanded the practice area to provide HRIS consulting services through its newly formed HR Services division. Most recently Mark has played an integral role in the development the NFP Marketplace, NFP’s exchange solution. Before joining NFP, Mark spent the previous nine of 17 years in the employee benefits industry as CEO of a leading employee benefit consulting firm based in the Philadelphia area. Mark has a bachelor’s in finance with an emphasis in economics from The Pennsylvania State University.