

Build A Solid Business Case For HR Technology Implementation

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Building a Business Case For HR Technology

If your organisation is still using manual processes, and / or outdated legacy systems to manage your HR tasks and processes, then you are definitely operating at a disadvantage. In addition to cost and time savings, Cloud based HR software is essentially the norm and offers multiple benefits, including a considerable reduction in the amount of stress that manual processes induce in your Employees. If you're tired of outdated, manual processes, but aren't sure how to build a Business Case that will convince both Finance and Leadership to approve the implementation of an HR system, then this document will provide you with an outline of how to go about building a robust Business Case to get you across the approval line.

Best Practices for Business Case Development

The process of building a Business Case for purchasing new technology is always challenging. However, in a time when HR has ever-expanding scope, more initiatives, and fewer resources it is more important than ever to discover how to create solid, defensible Business Cases for HR technology. The fundamental ingredients for building a solid Business Case for your organisation can be outlined as follows:

- Focus on both strategic and operational elements. Make sure you build an argument that is both qualitative and quantitative.
- Include a diverse group of Stakeholders from the leadership team to identify and understand the highest priority/biggest opportunities for time and cost savings within your organisation.
- Use both individual ideas and workshop discussions to gather and synthesise data about pain-points and potential solutions.
- Drive alignment and buy-in across the entire lifecycle of your project, from inception all the way through to implementation (and beyond).



The Stakeholders You Need To Enrol In Your Business Case

Enrolling the right Stakeholders in your Business Case process is essential to your success. Ensuring that you do adequate research, and gather enough valid data to work from will form a solid foundation from which to build your argument.

Use the table below to create a targeted list of the individuals in your organisation that you need on your team.

Key Leadership Team Stakeholders	Key Divisional / Departmental Stakeholders
<div><div>1. CIO</div><div>2. CHRO</div><div>3. Supply Chain Business Leaders</div><div>4. Sales and Marketing Leader</div><div>5. Continuous Improvement Leader</div><div>6. Finance Leader</div></div>	<div><div>1. IT Strategy Director</div><div>2. HR Strategy Director</div><div>3. Talent Management Leader</div><div>4. Payroll and Benefits Leader</div><div>5. Compensation and Benefits Leaders</div><div>6. HRIS Manager</div><div>7. HR IT Business Leaders</div><div>8. Vendor</div></div>

Who Do You Need To Build Your Business Case For?

When it comes to HR software and Payroll technology, who is the most difficult Stakeholder in your business to build the Business Case for / sell your Business Case to?

Once you have decided on the most difficult individual, tailor your Business Case to ensure that you answer all the questions, doubts or concerns that this individual might have.

Usually, the most challenging ‘sell’ of your Business Case will lie with one of these four roles:

- Head of HR.
- Head of Finance/CFO.
- CEO.
- CIO.



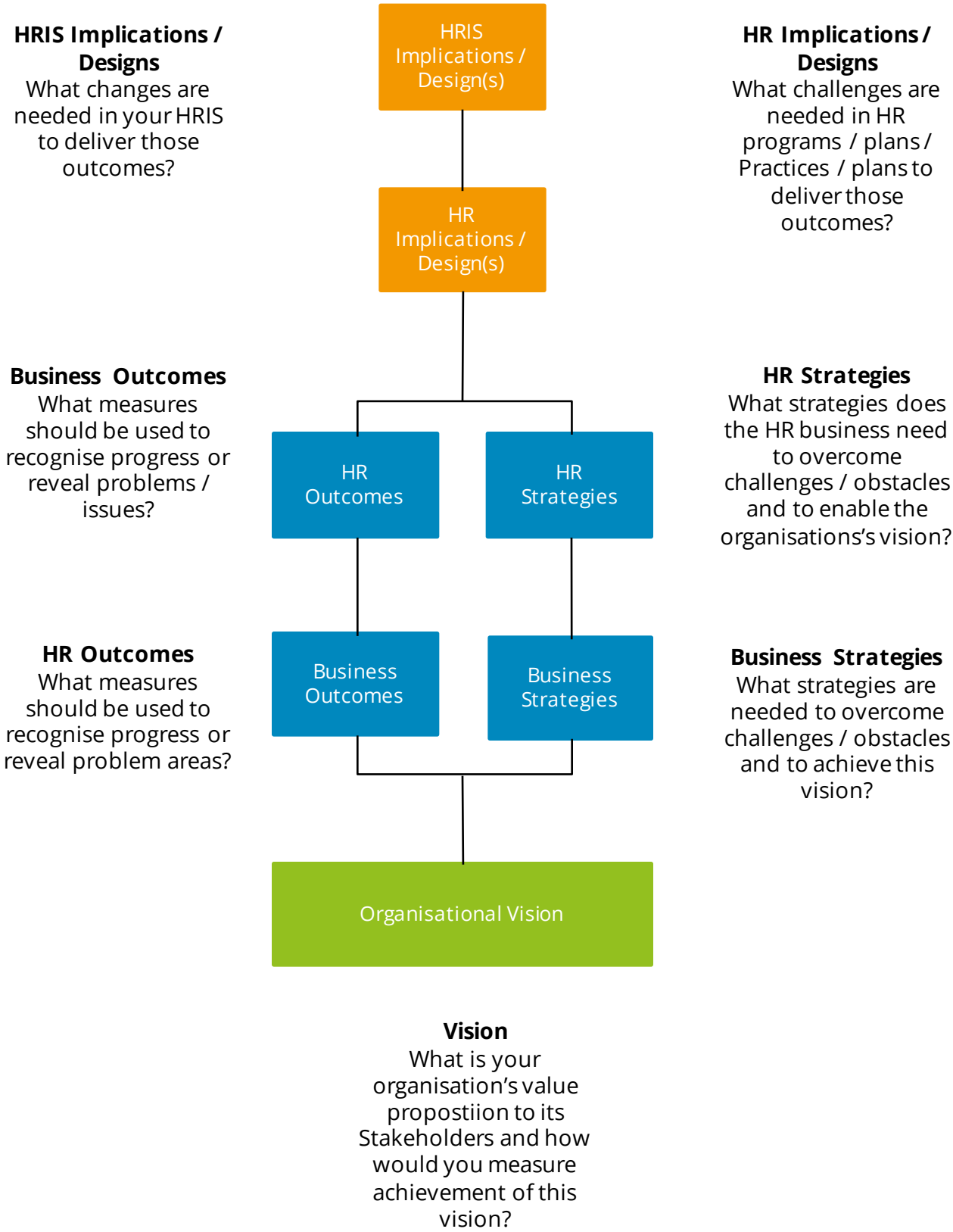
Why Should Financial Executives and The Leadership Team Care About HCM Systems?

Build your Business Case around the following three essential arguments, which will provide a solid platform from which you can illustrate the benefits of implementing HR software over both the short (direct savings) and long (related and implied savings) term.

- Your workforce is, in most cases, your organisation's largest asset and most controllable expense.
 - Therefore, a solution that makes it easier and more efficient to manage your entire workforce from one central point.
- The CFO has a responsibility to help maximise the productivity of your company's assets and control expenses.
 - Therefore, a system that enables your CFO (and the Finance team) to maximise productivity and reduce expenses is quite literally a no brainer (if you illustrate the time and cost savings adequately).
- This extends to investing in the tools and platforms needed to develop and manage your organisation's human capital assets.
 - In an online, tech enabled business environment, not using an HR software solution that integrates with all your other business solutions to create a seamless IT ecosystem could potentially be considered an act of neglect.



The Pieces Of The Business Case Building Puzzle



The Process For Building A Business Case

Mapping out a process for building and presenting your Business Case will provide you with a roadmap to success. A lack of planning at the beginning will result in a very lacklustre result at the end. Mapping the process that is right for your organisation will also make it clear right from the start, the scope of the project, the resources you will require and the output you will need to produce in order to create the best possible chance of gaining approval. Use the following outline as a guide to help you map your own process.

Align on Process	Gather Data and Build Your Draft Business Case	Workshop and Finalise Your Business Case
<ol style="list-style-type: none">1. Gain sponsorship from key Stakeholders.2. Determine and agree on key Stakeholders in individual Departments (HR, IT, Finance, Operations, Business).3. Coordinate and schedule interviews with each Stakeholder.	<ol style="list-style-type: none">1. Start with benchmark data and understand specific key challenges and improvement opportunities through your Stakeholder interviews.2. Identify key metrics and KPIs tracked by your Leadership Team.3. Build draft deliverables through analysis of other organisational workplans.	<ol style="list-style-type: none">1. Review your draft Business Case amongst workshop participants.2. Gain agreement on potential benefits.3. Finalise your Business Case and deliver to your leadership team.



HR Technology Is Critical To The Success Of Your Business Plan

An crucial element that you should include in your Business Case is an explanation of why HR technology is critical to the success of your business (not just the HR team). If you can illustrate the association between how an HR system will contribute to the achievement of your 1, 3 and 5 year goals, as well as facilitating a positive culture and reducing stress, your life will get a whole lot easier.

Use the table below as a starting point from which you can build your own argument for HR technology implementation within your organisation.

Unleash Your People Power	Manage Your Business To Balance Growth And Cashflow	Invest In Innovation And Growth Initiatives	Deliver Sustainable Cost Reductions
<div><div>1. Identify and manage talent across your organisation.</div><div>2. Ensure a set number of ready now candidates on critical role succession plan.</div><div>3. Reward top performers.</div><div>4. Decrease turnover of high performers.</div></div>	<div><div>1. Align top performers with key / projects / business units.</div><div>2. Fill critical positions with the right talent as you grow.</div></div>	<div><div>1. Invest in the labour to support R&D for your highest potential products and services.</div><div>2. Identify which leaders have demonstrated the ability to recruit and develop top sales and marketing performers.</div></div>	<div><div>1. Understand trends of Employee costs and adjust appropriately.</div><div>2. Hire the right mix of FTEs and contingent labour.</div></div>
<div><div>1. Minimise turnover and related costs.</div><div>2. Minimise external recruiting costs.</div></div>	<div><div>1. Align top people with key organisational initiatives.</div></div>	<div><div>1. Scale best practices around hiring and developing talent.</div></div>	<div><div>1. Measure and manage spend on Employee base and contingent labour.</div></div>



How An HR Software Solution Can Work For Your Business

For the Leadership Team

- 1. Information about your organisation is EASY to obtain and understand – available at the click of your mouse in real-time.
- 2. Accurate labour insights help you make better, faster operations and hiring decisions.
- 3. Talent Management processes are so streamlined that you manage your critical positions and talent DAILY in an ONGOING manner.

For HR Professionals

- 1. Critical Employee information is available at the click of your mouse and you spend LESS TIME chasing data / paper and MORE TIME with your business leaders and Employees.

For Managers

- 1. You can initiate and approve key transactions for your team members INSTANTLY.
- 2. Your Employees’ career information is readily available, allowing you to engage in critical development discussions TODAY.

For Individuals

- 1. You can access and update your personal and professional information and learn how to ACHIEVE YOUR CAREER GOALS.



Strategic Analysis Questions

Undertaking a strategic analysis of your business is the crux of building your Business Case. Examine your organisation in the context of the following three areas and incorporate your results into your data set.

Big Picture / Overview	Integration and Alignment	Optimisation
<ol style="list-style-type: none">1. Who works here and what do they do?2. Are you employing the right type of worker at an optimal cost to the business?3. Do you have timely and accurate insights into human capacity, capabilities and costs?	<ol style="list-style-type: none">1. Are the right people aligned with the right assets?2. Do you understand Employee skills and asset costs appropriately?3. Does the work your Employees are doing align to the goals you are trying to accomplish?	<ol style="list-style-type: none">1. Are standard processes streamlined, cost-effective and agile?2. Do you leverage your skills and profitability analysis well?3. Can you efficiently find good Employees to scale your business activities without losing quality?

Big Picture / Overview Challenges

Who works at your organisation and what do they do?

- Executives and Managers need direct, real-time access to accurate, real-time workforce information to support decision-making.

Are you employing the right type of worker at an optimal cost?

- Unified operational visibility into human resource capacity, costs, and capabilities, including data on:
 - Salaried workers.
 - Hourly workers.
 - Contingent workers.

Do you have timely and accurate insights into human capacity, capabilities and costs?

- Real-time visibility into budget performance for all people-related costs.



Integration and Alignment Challenges

Are the right people aligned with the right assets?

- Lack of real-time access to staff experience, training records, costs, and capacity to support the bid process.

Do you understand Employee skills and asset costs?

- Limited access to real time labour costs to optimise spend.
- Inefficient, manual processes to pull the data necessary to support budget processes.

Does the work Employees are doing align to the goals you are trying to achieve as an organisation?

- Risk of following potentially non-profitable processes and projects due to limited profitability insight.

Optimisation Challenges

Are our standard processes streamlined, cost-effective, and agile?

- Highly manual processes consume significant HR management and staff time.
- Inefficient aggregation of data to support the production of management reports.

Do you leverage our skills and profitability analysis during the annual budgeting process?

- Limited ability to search for talent across the organisation to fill open positions.

Can you efficiently find good people to scale without losing quality?

- Data integrity risks due to manual re-keys of data between systems.



What Is It All Worth To Your Business?

Big Picture / Overview:

- Insight to better manage people-related costs leading to:
 - Reduced contingent labour spend.
- Improved visibility into resource allocation.
- Better insight into when to hire and when to source contingents.
- Real-time, direct visibility into KPIs and people-data to drive Manager effectiveness.

Integration and Alignment:

- Streamlined insight into workforce experience, costs, and capacity.
- Direct, real-time access into talent pool, complete with performance and certification history.
- Mechanism to evolve HR capabilities to include talent and compensation management (tying merit to performance).
- Deeper insight into best talent to develop deeper insight into potential 'flight risks' as well as poor performers.

Optimisation:

- HR and Payroll staff cost avoidance as the company scales to achieve growth goals.
- Reduced recruitment 'time to hire' and costs to support rapid headcount addition.
- Reduced regulatory exposure.
- Less time and cost to produce reports.
- Cost avoidance of current systems.



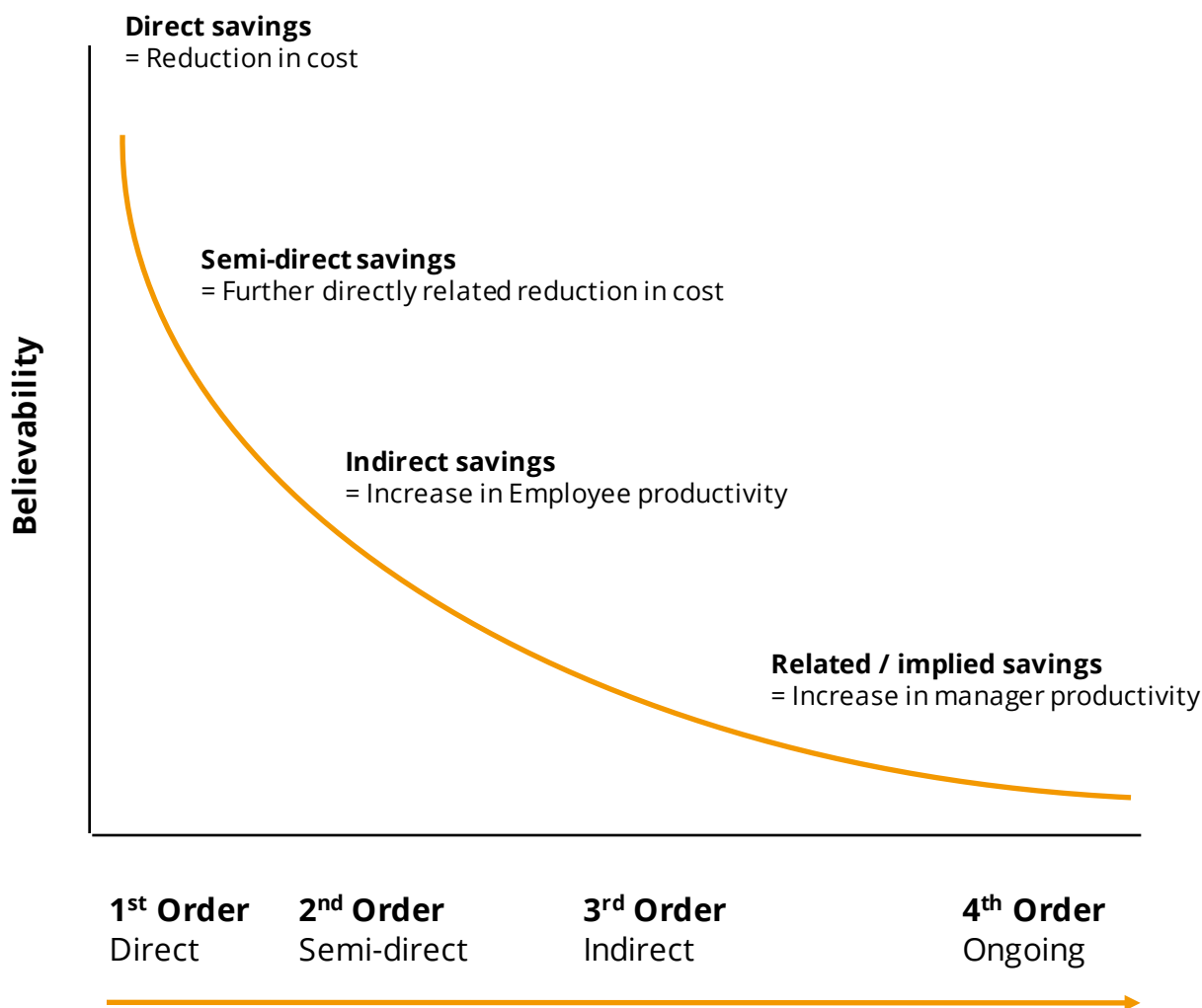
Evolution of A Believable Business Case

One of the most crucial aspects of building any argument is that the case you put forward to decision makers needs to be believable. All too often project owners set unrealistic expectations and inflate or overstate benefits when trying to ‘sell’ their idea.

The graph below outlines four logical, believable and verifiable lifecycle stages of the implementation and integration process for an HR software solution.

These lifecycle stages are:

- 1. Direct savings.
- 2. Semi-direct savings.
- 3. Indirect savings.
- 4. Related savings / implied savings.



Where Does Your ROI Come From?

Start by identifying the key pain-points, and subsequently illustrating the benefits of implementation across the three areas listed below. These pain-points should then form the basis of your analysis in building your Business Case argument and Return on Investment data.

- Current State:
 - How inefficient are your existing processes?
- Breadth:
 - How many Employees will the software affect and benefit (both directly and indirectly)?
- Repeatability:
 - How often will Employees use it and how many different tasks / processes can be completed using the solution?

The Biggest Challenges In Building A Business Case For Finance

Stakeholder engagement, and thorough examination of your financial data will provide a wealth of opportunities for you to build your Business Case for HR software implementation. This is especially true if you are starting from a situation where your organisation is still using manual processes, or even an on-site legacy system that is clunky, outdated and not cloud based. Consider the following when drafting and formatting your Business Case document.

- Understand what finance / your CFO wants to see:
 - Get clear on the format your CFO prefers and tailor your presentation to suit.
- Know what data/metrics make the most sense:
 - Collect and verify key data points where you can clearly and realistically illustrate cost and efficiency savings.
- Ensure that all queries are answered sufficiently:
 - If your CFO has questions that you didn't provide answers for in your Business Case, ensure that you follow and provide realistic answers asap.
- Getting movement after the presentation:
 - Have a post presentation plan ready to implement and cover all your bases – ensure that you're good to go if you get the green light, or,
 - Make sure you have the resources to do the extra work required to get the project across the line if there is more work required to satisfy the CFO and other leaders.



Business Benefit Example – Case Study Kikki.K

Subscribe-HR customer Kikki.K currently has 70 Stores across Australia. The following pages outline the potential savings for a business *LIKE* Kikki.K making the transition from largely manual and or legacy systems and processes, to a Cloud based HR software system that provides a suite of solutions and also integrates seamlessly with other business solutions to create an IT ecosystem.

Manual / Legacy Process: A Store Manager hires a new Employee, changes Employee info or terminates an Employee.

- Store Manager reaction:
 - Not all this manual paperwork!
 - I need to focus on ensuring the Employee is learning our processes!
 - Everytime I hire a new Employee I have to:
 - Have the Employee complete multiple forms containing a majority of the same information.
 - Scan/email to HR and or Payroll.
 - Notify IT, Facilities, Operations manually.
 - Track Employee hours manually until entered into POS.
 - On-board the new Employee manually, including induction, OH&S and more!
- HR Manager reaction:
 - Not all this manual paperwork!
 - Every Employee package from the stores I have to:
 - Enter the data into the HR system manually.
 - Chase the Manager and Employee for any missed forms to notify Payroll.
- Payroll Admin reaction:
 - Not all this manual paperwork!
 - Every Employee package from HR, I have to:
 - Enter the data into the Payroll system.
 - Chase HR, Store Manager & Employee for missed forms.



The Reality Of The Situation

Store Manager Reaction	<ol style="list-style-type: none">1. Company has a separate system for managing HR and Payroll and Time & Attendance, including some (or many) manual processes across each of these areas.
HR Manager Reaction	<ol style="list-style-type: none">1. Multiple data sources holding Employee data.2. No one source of truth that can be queried for reporting purposes.3. Manual employment and onboarding processes.4. Duplication of data input.5. Manual performance management.
Payroll Administration Reaction	<ol style="list-style-type: none">1. Manual manipulation of several files to be imported every pay cycle.2. Data sources not cleansed and incorrect data often input.3. Lack of integration and, or communication between departmental systems and processes.
For Your Entire Organisation	<ol style="list-style-type: none">1. A lot of wated time.2. A lack of efficiencies.3. Increased costs.4. Increased stress.



ROI / Savings Generated By Business Running Multiple Stores

Outlined below is the potential savings calculated using the example of the cost and efficiency benefits to a Store Manager who switches from a largely manual, and or stand alone legacy system, to a fully integrated HR software solution.

Current: Initiate The Hire / Change Term At The Store	Future: Integration Suite of HR Software	Calculated Savings When Changing From Manual / Legacy To Integrated HR Software Solution
<div><div>1. Manual requisition and processing.</div><div>2. Multiple forms.</div><div>3. Lack of integration and system communication.</div><div>4. Manual approval process.</div><div>5. Slow and cumbersome.</div></div>	<div><div>1. One ecosystem.</div><div>2. Integrated with all other organisational business solutions.</div><div>3. Employee and Manager Self-Service.</div><div>4. Automated workflows for recruitment, onboarding, performance management, off-boarding (the entire Employee lifecycle).</div><div>5. Single-point data entry.</div><div>6. Real-time data.</div><div>7. Robust information about all Employees.</div><div>8. Customisable reporting.</div><div>9. Cost savings.</div><div>10. Time savings.</div></div>	<div><div>1. Process time for on-boarding new Employee, and or changing details / terminating current Employee:<div><div>a. Store Mgr = 36 hrs/yr or 4.8 days x 70 Mgrs.</div><div>b. Admin = 98 hrs/yr or 13 days x 5 FTEs.</div></div></div><div>2. Number of times and average rate:<div><div>a. Store Mgr = 0.75 hrs/wk x 70 Mgrs.</div><div>b. Average Hourly Rate = \$25.</div><div>c. Admin: 2 hrs/wk x 5 FTEs</div><div>d. Average Hourly Rate = \$30.</div></div></div><div>3. Savings:<div><div>a. Store Mgr = \$131,250</div><div>b. Admin = \$30,300</div><div>c. Total = \$161,550</div></div></div></div>



Communicating The Big Picture

When the time comes for you to present your Business Case to the appropriate Stakeholders, if you tick these boxes, you will go a long way towards gaining approval.

- Determine if there is an expected impact to the TOP line revenues and articulate this clearly:
 - The bottom line expense savings and process improvements are expected (and not inspiring no matter how much you know you need it).
- Be a story teller:
 - Present the big picture of expected cost and approval control, improved revenue enhancing intelligence, mobile access for Employees and a seamless HR IT infrastructure to support your organisation.
- Gather the numbers yourself:
 - Explain how conservative the numbers are,
 - Front load every expense you can accurately measure.
- The quantitative and qualitative story should be all of the justification you need as long as it is tied to the overall strategic goals of your organisation.

In Conclusion

If you plan and execute your Business Case development and delivery process with attention to detail, the right Stakeholder engagement and solid data to back up your argument/s, an HR implementation project is a bona fide winner. If your business is still executing HR tasks and processes manually, or if you're using clunky, outdated legacy systems that don't communicate with your other business solutions, then your entire organisation really is operating at a distinct disadvantage. Cost savings and productivity efficiencies are just some of the benefits that HR software will offer your business. However, from a cultural perspective, perhaps the most important factor is a significant reduction in the amount of stress your Employees feel when continually being asked to do more with less.



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