

**IHRIM**  
**HRMStrategies**  
CONFERENCE and TECHNOLOGY EXPOSITION



# 2010 IHRIM HRMStrategies and Technology Exposition



Session number: 248

## **Realizing Value in HR Technology – Making it count!**

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**Nov Omana, HRIP, CEO/Founder**

**COLLECTIVE HR SOLUTIONS, LLC**

# Michael Benson – Associate

## Collective HR Solutions, LLC

- Certified HR professional (SPHR)
- Over 25 years experience in guiding companies in the use of technology
- Assists HR to address two goals
  - reducing costs through effective and efficient delivery of services
  - driving revenue and growth through effective workforce strategies
- Directed the development of HR service delivery and support organizations overseeing Benefits, Payroll, HRIS, and Operations
- Consultant with leading firms, including IBM and Deloitte Consulting

# Nov Omana – CEO/Founder Collective HR Solutions, LLC

- Certified HR Information Professional (HRIP)
- 30+ years of career experience in the HR Technology arena as a Consultant, Vendor, Practitioner delivering:
  - HR Technology Strategy
  - Vendor Analysis/evaluation
  - HR Operations Analysis
  - Implementation planning and execution
- Summit Award winner – 2007
- Serving on the IHRIM Board of Directors, previous Chairman
- Serving on the Oracle HCM User Group Board

# Implementation Value

- What is it?
  - Discipline for guiding implementation business cases
  - Provides metrics for continuing monitoring of the project, during and after “go live”
  - Setting a standard of implementation value
- Why do we think it is important?
  - Provides guidelines of factors for successful projects
  - Provides metrics across projects (PMO value)
  - Two parts
    - Implementation success
    - Business case achievement

# Components of Value

- Cost and Time to implement
- Impact on operations
- Integration to supporting systems and maintenance

Traditional measures of ROI

- Features and functionality
- Adoption
- Information and access/reporting

Complete the “value” picture

# The Problem with Traditional Return on Investment (ROI)

*"73 percent of CIOs don't calculate the ROI on projects after they're completed."*  
--CIO Insight

*"Historically, most organizations measure value by the ROI metric. Yet, in today's business climate, it is more than just financial returns that prove the business case... it's the actual value you are getting from your HCM solution."*

--Bob Conlin  
*IHRIM Link*

*"The ultimate argument for a technology initiative is made in the business case. But key to good business cases is qualitative and quantitative data about the cost of a technology project's entire life cycle and the strategic impact it will have on meaningful business processes. TCO is about cost and ROI is about benefit."*

--Datamation

# Value Touches Everything

## ROI

Cost/Time to Implement

Impact on Business Operations

Integration to Supporting Systems

## Value

Features / Functionality

Adoption

Access to Information / Reporting

## Areas of Impact

Budget

IT Infrastructure

Human Resources

Business Strategy

Line of Business Operations

Stakeholders

# HR Technology Implementation Value Survey

- Our idea – create a measure of value – the “Total Value Implementation Score” (TVIS), which goes beyond ROI analyses.
- Extends the concept of ROI by considering:
  - Are targeted features/functionality being used?
  - Are targeted end-users actually using the system?
  - Has information and access to it been improved?

# HR Technology Implementation Value Survey

- Our survey focuses on implementation success
- Going forward, we will investigate the impact of HR technology implementations on:
  - HR organizational ...
    - Efficiency (transactional/service delivery)
    - Effectiveness (strategic)
  - Employees contributions ...
    - Effectiveness in their jobs
    - Actively contributing to revenue and growth initiatives

# Our Expectations and Assumptions

- SaaS implementations would be better value
  - Cost/Time
  - Features/Functionality meet business needs
  - Integration costs lower
- User adoption would be key
- Features/functionality would drive the reasons for implementation
- Within a company, survey results might vary significantly because of role
- HR and IT perspectives would be different
- Change Management would be critical in the success of a project
- We had our own thoughts on the ranking of importance of the metrics

# HR Technology Implementation Value Survey

- Consisted of a series of questions around each of the component areas of value (approximately 50)
- Asked for anecdotal comments/explanation detail for some answers
- 50+ global respondents
- Multiple same-company respondents
- Respondents across multiple job titles and roles
- Wide range of industries – 19 categories of the 26 we provided
- Wide range of company size – all levels
- All system categories (e.g., Core HRMS)
- All solution types (e.g., Licensed on-premise)
- Asked respondents to weight the component categories

# Component Weightings

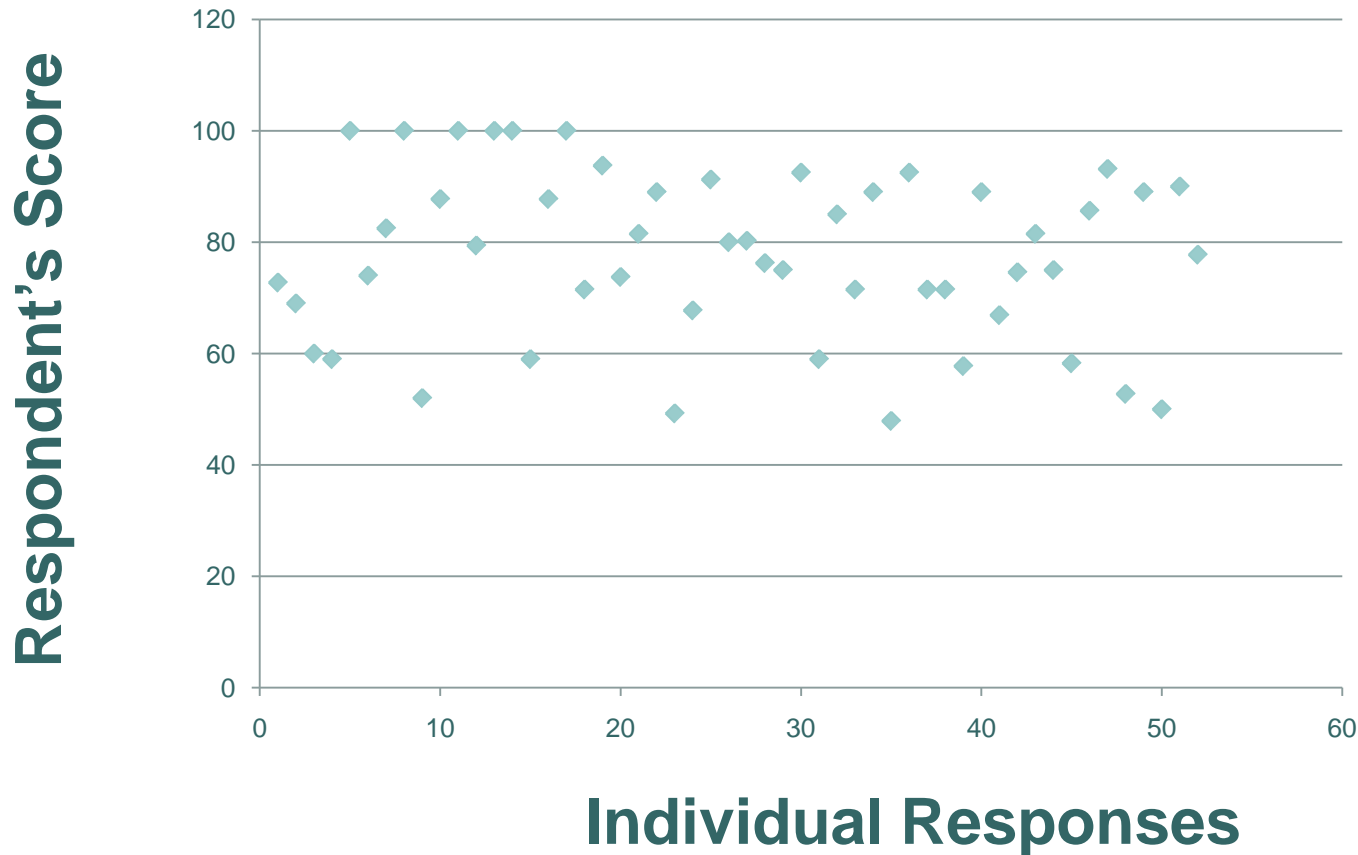
Component	Survey Average	CHRS
Features/Functionality	30.8	30
User Adoption	17.8	20
Impact on Operations	17.5	13
Cost/Time to Implement	12.4	5
Access to Information / Reporting	13.0	25
Integration with supporting systems	8.5	7

# Total Value Implementation Score (TVIS)

The combined scores of the component areas of value:

- Features / Functionality
- Adoption
- System complexity impact on business operations
- Cost / Time to implement
- Information and access to it
- Integration to supporting systems

# Total Value Implementation Score Distribution



n = 56

# Technology Implementation Value Survey

As we analyzed results, some things jumped out at us. In some cases:

- Project teams were on-time/on-budget, but no one was using the system.
- Delivered features/functionality were not operating as expected.
- There was a disconnect between achievement of business case, claims that HR was more effective and employees were more engaged, yet features / functionality and user adoption was low.

# Respondents said ...

- *“Limitations to historic data a major issue..CEO dashboard only displays history back to the date of hire of the current CEO -- a significant limitation”*
- *“Workflows and integrations do not support our business processes....proved more cumbersome than the manual/paper processes were hoping to replace”*
- *“There are certain functions that need tweaking and our business process involves a series of changes and approvals before it can be implemented...we did not like how it functions but have to live with it for a period ”*

# Respondents said ...

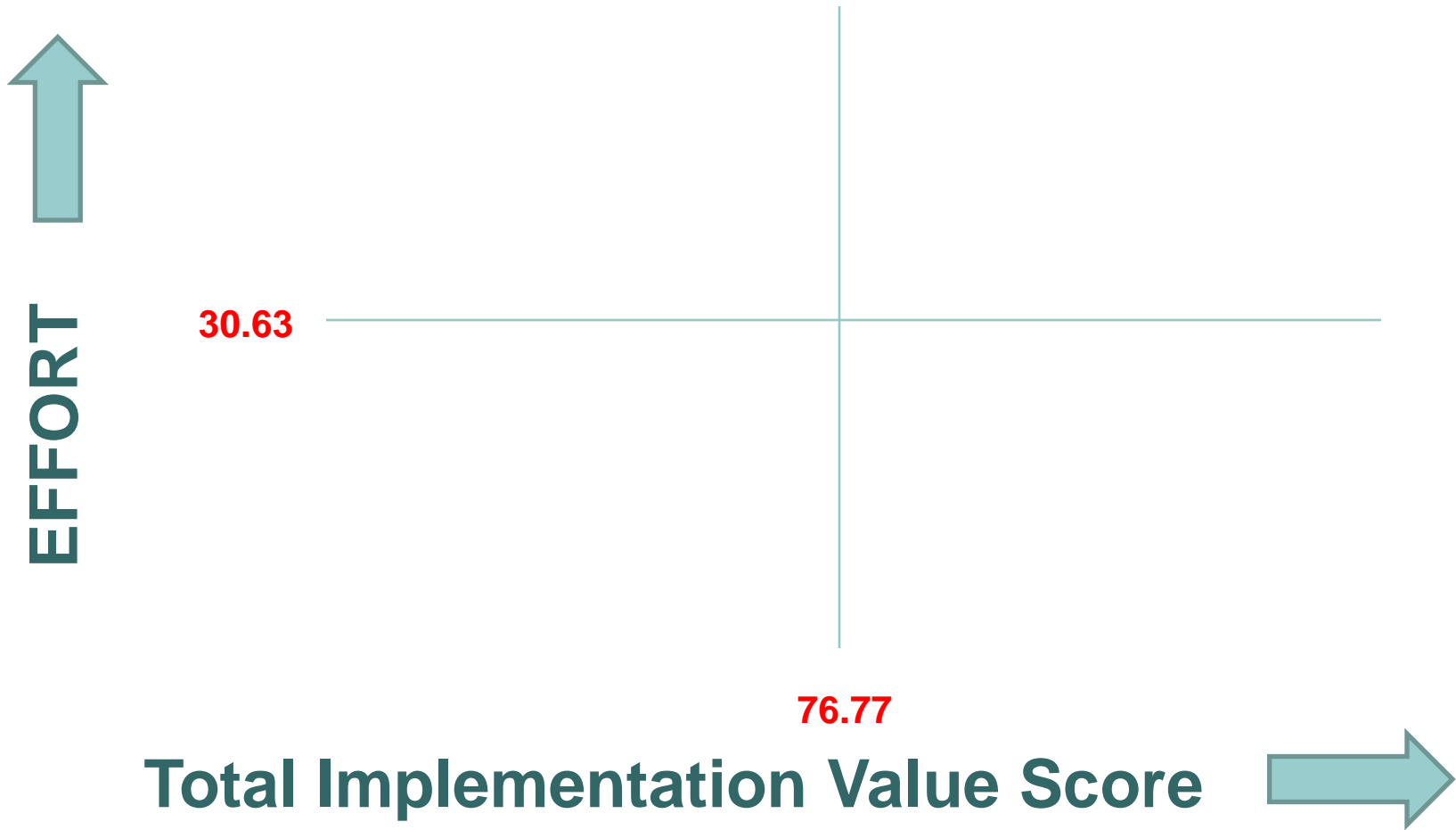
- *“Business processes were not addressed with implementation; therefore new system, old methods ”*
- *“Lack of senior management support and lack of alignment of HR strategy...put implementation back. ”*
- *“At this time, the information in the system is not being utilized to its fullest to make decisions. A process change is being implemented to see that the data is used appropriately and consistently. ”*
- *“While the end users experience is positive, the administrative work involved to handle our processes have increased.*

# Effort Score (ES)

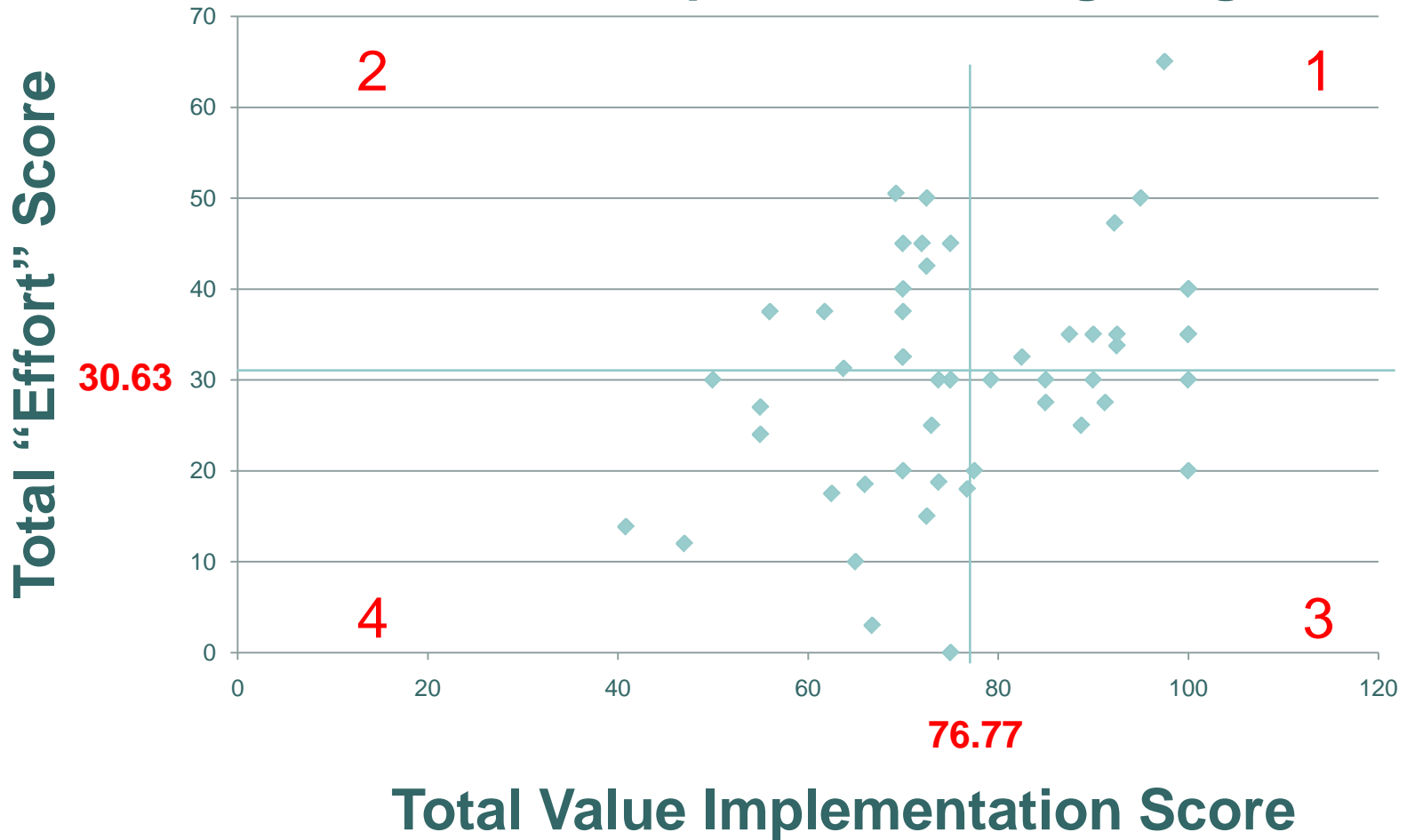
The combined scores of the component areas that address “project effort”:

- System complexity impact on business operations
- Cost / Time to implement
- Integration to supporting systems

# Implementation Value / Effort Matrix



# Implementation Value / Effort Matrix Based on Respondents' Weightings



# Quadrant 1

- Plot points indicate exceeded the aggregate average on TVIS and ES
  - Created better features/functions
  - Managed the project mostly on time /on budget
  - Gained a higher user adoption
  - Developed better information and access
  - Leveraged integration with other systems
  - Implemented with no negative business operations impact

# Quadrant 2

- Plot points indicate you fell below the aggregate average TVIS but higher than average on ES
  - Project tended to be driven by time/budget
  - Could be driven by a consolidation of platforms/system integration
  - Placed less emphasis on feature/function, reporting or information – less on communications plan, stakeholders participation

# Quadrant 3

- Plot points indicate you fell below ES average but higher than average on TVIS
  - Placing more emphasis on feature/function, user adoption and reporting or information – better communications plan, stakeholders participation
  - Budget and time, less a driving factor
  - Integration to other systems and system complexity considered less important

# Quadrant 4

- Plot points indicate you fell below ES average and lower than average on TVIS
- Highest area of potential for opportunity/improvement
  - Change management potentially lacking, communication and expectation management
  - All areas to be analyzed for improvement
  - Better project management processes

# General Findings

- HR folks rated success better than others
  - Rated features/functionality higher
- Director roles (and above) were more critical of achieving success
  - Communication key in BOTH directions
- Public sector scored lower than other groups
  - Higher requirements or different value model

# General Findings

- Smaller companies achieved higher scores
  - More strict process guidelines
- People DIRECTLY involved in the project rated success higher than “end users”
- Stakeholders’ expectations not as well managed

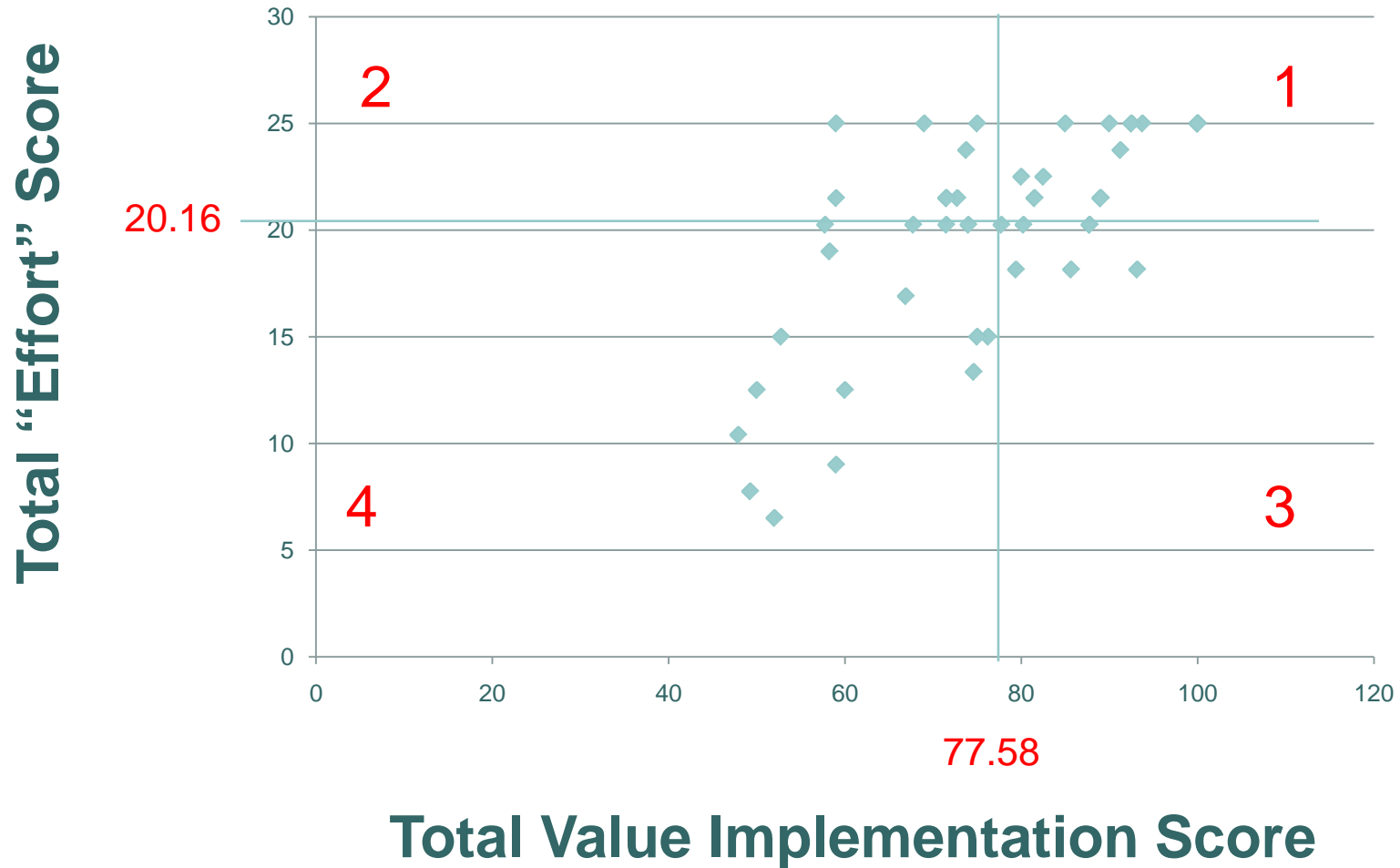
# General Findings

- Core HRMS scored lower than “point” solutions
  - Higher expectations or more complex
- On premise scored better than other delivery methods
  - Reservations on cost, security, flexibility
- Features/functionality rated higher
  - See this as a major driver

# General Findings

- Cost/time rated 5<sup>th</sup> or 6<sup>th</sup> in rankings
  - C-level looks at this, yet HR needs to tie this to business impact
- No responses on Social Networking implementation category
  - Expect to see more of this in future survey responses

# Implementation Value Index Based on CHRS Weightings



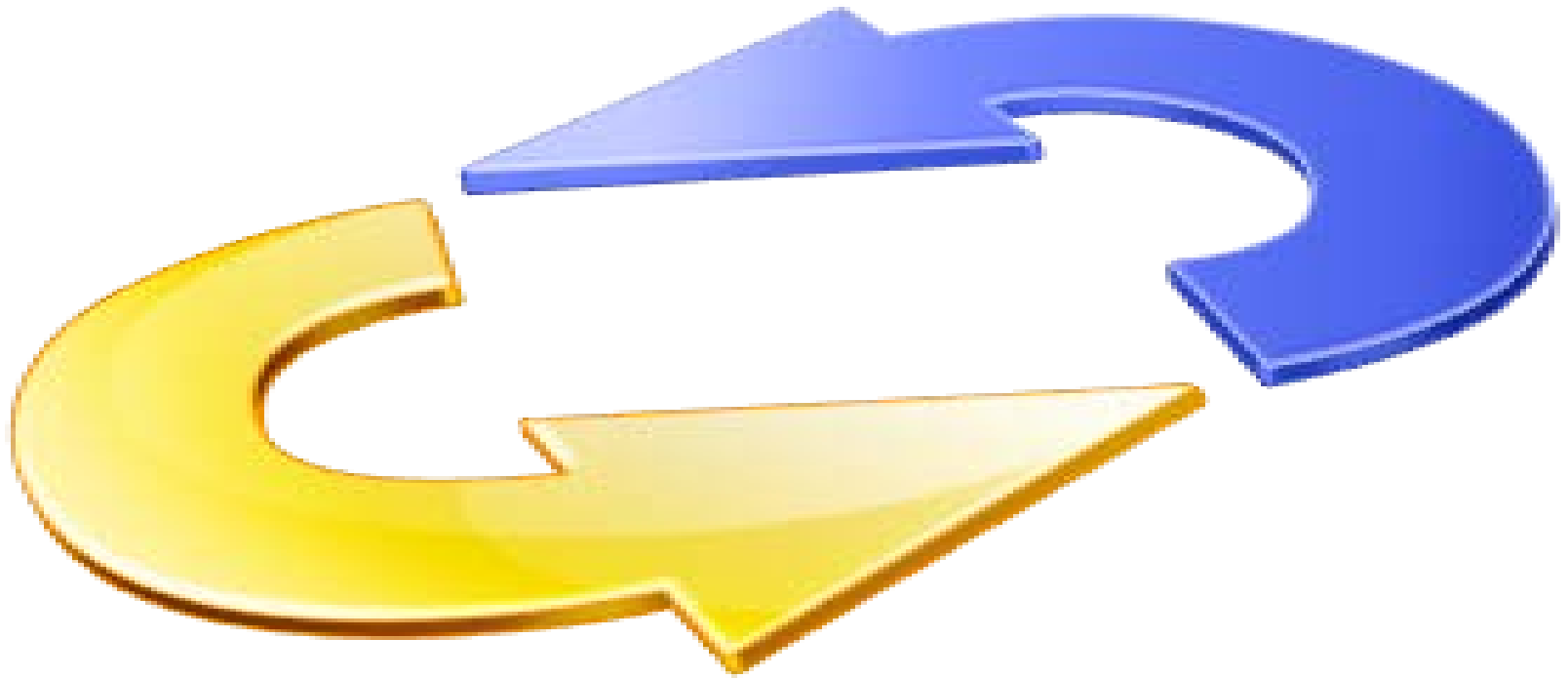
# Our Next Steps

- We will keep the survey open
- If you have not filled out the survey, please do so
  - Give us your card, we will send you the link
  - Or – [www.collectivehrsolutions.com](http://www.collectivehrsolutions.com)
- We will continue to refine our results
- We will calling on some of our respondents to:
  - Take the survey through their organization, multiple inputs and perhaps some surprising observations
  - Find new channels for the survey – peers network
- Publish any new findings

# What You Can Do Now ...

- Use the survey in your organization to get further insight
- Assess current projects in process - apply this framework
- Maintain guidelines for communication, requirements, and business processes
- Establish business metrics to measure impact to the company

# Questions?



**For more information on this or any  
other HR technology topic go to  
[www.ihrim.org](http://www.ihrim.org)**



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**Thank you!**