How to get your business to invest in HR software

A comprehensive guide to help you build your business case.

Contents

Detractors

Summary
All-in-one HR software for the growing business

Transform the way you work

One

– How to get your business to invest In HR software

– A comprehensive guide to help you build your business case

RESOURCEINN
Empowering Business Smartly

Most growing businesses will eventually hit an inflection point where they can no longer function without professional HR tools. Capable HR managers will instinctively know when this point has been reached and will naturally want to invest in HR software to take the function forward.

Sounds simple. Yet, unsurprisingly, most company leaders will need some convincing. After all, the HR department has managed fine up to now, so they will likely challenge the need for any new investment. They will want to know what has fundamentally changed for it to be justified.

It may not be obvious to your leadership that you have outgrown your HR processes as the firm has expanded, or that your HR staff are now spending too much of their time on administrative tasks.

It's not enough to argue that if those tasks are reduced, HR could concentrate on more strategic initiatives to improve the performance of the business - such as helping managers make better people decisions or developing a compelling employee value proposition to help attract the best talent.

Budgets are limited, and leaders want fast growth. Typically, they would rather spend money on items directly linked to sales, such as CRM software or marketing automation.

To get your firm to invest in HR software, you need to put together a robust business case that illustrates the benefits and tangible returns for the entire company.

While the business case is essential, there are other factors that can swing the decision in your favor - all of which will be explored in this guide.

Building a Business Case

Two

– Reducing costs for your company
– The tangible benefits of saving time
– Improving people-related decisions through analytics
– Reducing regulatory risk
– Employee and manager self-service (ESS/MSS)

RESOURCEINN
Empowering Business Smartly

Initially, your leadership may feel that new HR software is being sought solely for non-financial, departmental benefits, such as reducing the workload on your HR team. So, unless you demonstrate a positive financial impact for the business, you may struggle to get the investment you need.

It's not always obvious how new HR software can provide a financial return to a company, but this section will highlight some of the most common areas. You should consider each one for your company to help you build a business case.

Reducing costs for your company

Broadly, there are two main ways in which HR software will reduce costs. Firstly, reducing the impact of employees not following company policies and practices, and secondly, saving time currently spent on basic administrative procedures, such as data entry.

When policies are not properly followed, it is likely that money is wasted due to errors or wrongdoing in areas such as expenses, lateness or absence. Without HR software, it's often difficult to identify where such 'abuse' of the system is taking place. The software can also mitigate some of these risks by putting in place appropriate rules and approvals.

HR software can also automate basic administrative procedures, in turn reducing the costs associated with carrying out these processes manually. Simple examples include reducing the costs involved in timesheet management, booking holidays and managing candidate applications in the recruitment process.

The tangible benefits of saving time

Reducing administration will be the major benefit of new HR software for the HR team. But while you've already demonstrated what software may save you, you should also look at the flipside. This means what HR will do with the time saved on administrative tasks, as a result of introducing a new tool.

This may include more time on strategic planning, such as helping managers improve staff morale. It may also include team management activities, such as working with team leaders across the business to break down boundaries between different departments or improving leadership skills.

You'll have to do the calculations to work out what your current practices are costing the business. So, you'll have to ask some searching questions.

– How much time is it taking your HR team to perform basic tasks?
– What is the cost in real terms?
– Can headcount be saved through automation?
– What would you estimate the HR processing errors to be costing your business?
– How much does absence cost the company each year?

The more tangible financial impact you can demonstrate as a result of these more strategic initiatives, the more robust your business case will become.

Improving people-related decisions through analytics

The quality of your decision making is only as good as your data and the tools you have to transform it into actionable insights. Improving accuracy and reliability of employee data is of benefit to the whole firm and should be a key element of your business case. Advancements in workforce intelligence can ensure that choices regarding talent and people investments are informed, dependable and even predictive.

HR analytics can impact many areas of the business and the examples are endless. The more common measures include cost per hire; factors impacting the attrition of strong performers; sales per agent; absence by function, department or manager; and the identification of recruitment talent pools.

While it's true that the highly sophisticated workforce intelligence capabilities are more often found within larger organizations, small and mid-size businesses are increasingly looking for people's insights beyond a simple headcount report. If you can demonstrate examples of the kind of insights leadership could be furnished with in your business, maybe via a real-time dashboard, this would go a long way toward securing their buy-in.

Good HR software will ensure employee data is up-to-date, will reduce the chances of error (and multiple data entry), while equipping you with the tools to create more insights.

Ultimately, better data management and analytics will have an impact company-wide, from identifying trends to improving operational efficiency. If you can use hard numbers to show the benefit of analytics to your business

performance, this will form a key part of your business case.

Reducing regulatory risk

Staying on top of employment legislation can be a real headache for HR leaders and the laws are changing constantly. This can make compliance extremely challenging. Yet non-compliance today has the potential to put your organization out of business – with the most recent example being the General Data Protection Regulation (GDPR).

A breach of legislation will often result in more than just fines, with legal class actions, reputational damage, share price reductions and customer churn other possible consequences. Not to mention how such events would impact the futures and wellbeing of your employees.

HR software is by no means a silver bullet for compliance. However, it can help you implement policies and processes more quickly through communication, workflows and notifications.

And it can also provide a mechanism for storing documentation to evidence policies, while tracking how

well employees and managers are following best practices.

The bottom line is your business needs to be compliant and if there is a gap it needs to be bridged. HR software can accelerate the time it takes to get there, reduce the resources you need to carry out the heavy-lifting (through automation for example), and help you stay compliant on an ongoing basis. These elements can be calculated and included in your financial case.

Employee and Manager self-service (ESS/MSS)

Most HR software provides the opportunity for HR teams to introduce employee and manager self-service. Self-service means devolving responsibility for day-to-day HR tasks, either to line managers or to employees. This improves engagement, data accuracy and adherence to policies.

An effective self-service system will undoubtedly reduce the administrative burden on your HR team, reducing costs further. However, if the employee experience is also improved as an outcome through simple, easy-to-use systems, then your leadership will see this as a key benefit.

Demonstrating the financial advantages of ESS/ MSS beyond cost savings can be tricky, but calculating the payback on improved employee engagement is a good place to focus. So, consider how self-service can raise the employee experience to new levels.

Essentially, the employee experience is the series of touchpoints that an employee has with his or her employer. The number of interactions can run into the hundreds on a yearly basis as it includes every interaction with HR systems, HR staff, managers and so on. Self-service is a great way to improve engagement through non-human interaction, especially if interventions are effortless.

If you can convince your leadership to see that every touch point provides an opportunity to be 'liked' as an employer, then they will more easily understand the critical role self-service can play. Maybe you could evidence reduced attrition as a result of better engagement, as well the increased retention of key talent – then calculate the subsequent impact on business performance.

It's important to remember that the ROI from self-service is heavily predicated on high user adoption levels, so it's critical to focus on take-up among both employees and managers early on.
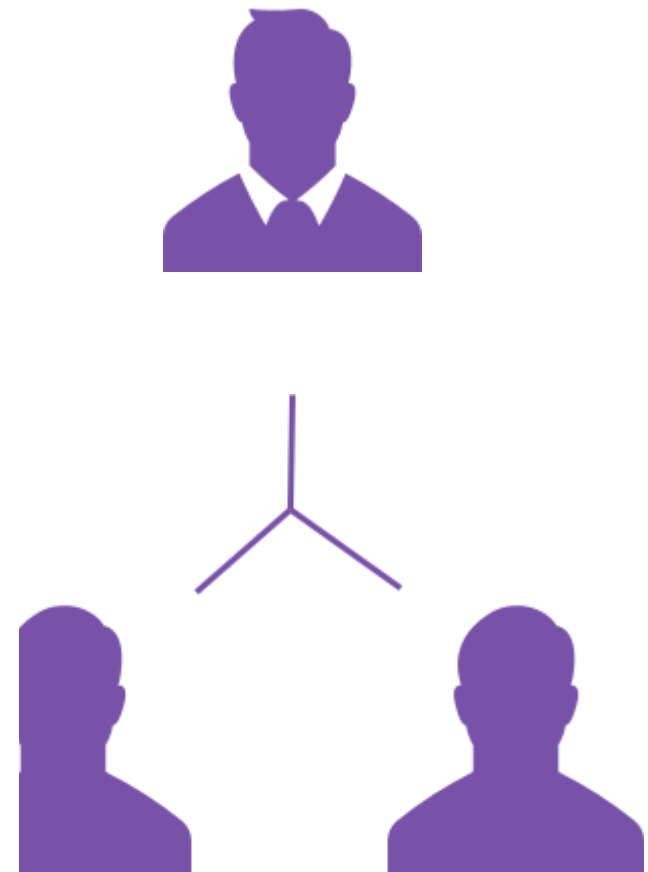
Your approach to implementation

Three

– Key implementation considerations
– On-premise vs cloud

While it's pointless to put together a detailed implementation plan until you've had your investment case approved, you'll need to show you've considered this stage carefully. This section covers some of the key aspects that are likely to come up during your internal buy-in process.

Key implementation considerations

Implementing a new HR software system can be challenging, if not planned effectively. It's true that software can lead to major efficiency improvements, and give valuable analytical data, but you must think carefully about how this will all work in practice.

There are many considerations, such as what systems the software will need to integrate with, such as payroll, and which modules you are going to implement first. It's important to prioritize the functionality needed most and develop a roadmap that introduces different features incrementally. You'll want to give users some time to get used to the new software, so you don't want to overwhelm them with too much functionality all at once.

Typically, businesses start with the core such as basic self-service, allowing employees to update their records, to book leave or training, enter timesheets and submit expenses. Managers will then have a HR database with up-to-date information on their staff.

Then maybe the HR team will implement key functionality such as recruitment, time and attendance and HR reporting. New areas like performance management and more advanced analytics are normally introduced in a later phase.

As your journey evolves, HR software will continually put new information about your people at the fingertips of your leaders, managers and HR team.

If you don't harness this new data, you won't get the most out of the software. So, consider what you will do with the information when you have it. For example, if you are using software to assess whether company policies are being adhered to, you must then have a plan in place for enforcing those that are being ignored.

Successfully implementing HR software will undoubtedly require cultural change at your firm. People across your organization will have to adapt to the new system by making significant changes in the way they work. Be sure to consider this and to prepare employees for it. You need to get their buy-in to ensure you realize what has been promised in your business case.

RESOURCEINN
Empowering Business Smartly

Preparing answers to the implementation questions that will undoubtedly arise when exploring your

business case is a prudent measure to take.

On-premise vs cloud

HR software used to have a reputation for being expensive, complicated and slow to set up. In reality, this is more likely to be the case with traditional, on-premise enterprise HR software, which tends to be highly customizable and designed with larger companies in mind. It is not the case with most modern, cloud-based HR software solutions.

HR cloud software is more affordable and is designed to be easy to implement without requiring expensive consultants to spend endless time on-site 'workshopping'.

However, cloud solutions are sometimes perceived as lacking in functionality and flexibility. Some HR leaders still labor under the misconception that they are too standardized and will be unable to adapt to the unique needs of their business.

Modern cloud-based HR solutions match or exceed the flexibility and functionality of traditional HR software, and they have a key benefit: they are scalable. Smaller businesses won't immediately need the same breadth of functionality as a global corporation, but would not want to be tied into a system that they would outgrow either.
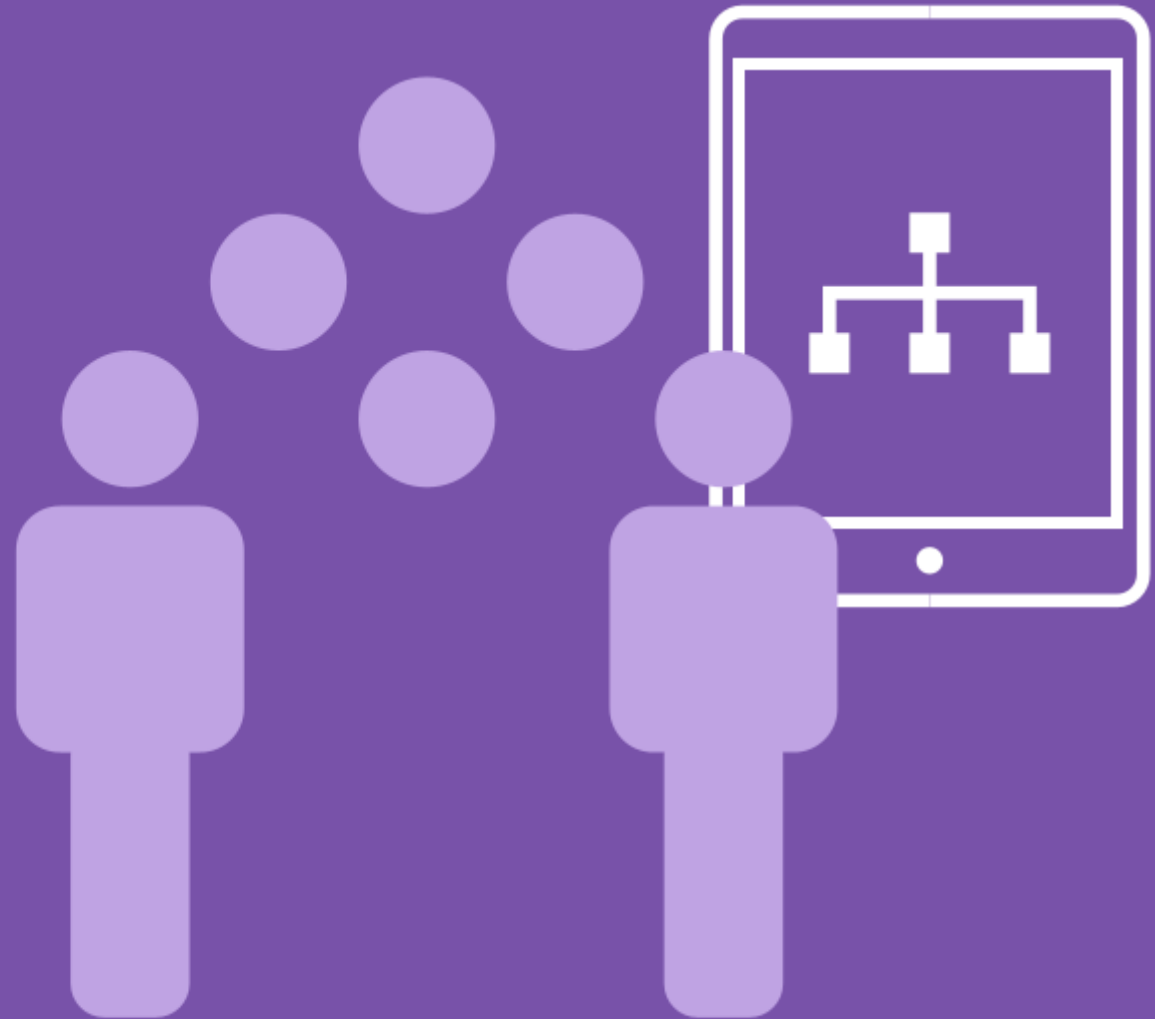
With a Software-as-a-Service (SaaS) cloud solution, you can pick the features you want. And, as your business grows, you unlock and pay for the additional functionality only when you need it.

Persuading key stakeholders

Four

– Influencers
– Champions
– Detractors

RESOURCEINN
Empowering Business Smartly

Influencers

It is important to consider who in your business will be the key influencers in the decision to invest in HR software. Each influencer will have their own priorities and it's important to focus on addressing all their concerns.

For example, the finance director's primary interest in new HR software will be whether it is going to save the business money. Therefore, they will be more receptive to more tangible outcomes - for instance, how the software will reveal absence patterns, allowing managers to form strategies to improve attendance. Finance will also be interested in the payment and contractual terms and whether you have the option of an OPEX or CAPEX pricing model.

The managing director may have a different set of priorities. For example, they will want to ensure their workforce stays motivated and productive. Demonstrating how the new software will improve engagement could help, while providing assurances that the implementation will have the minimal possible disruption on the working lives of their managers and employees.

Champions

To see your HR software investment approved, you are probably going to need others outside of the inner HR circles to champion your cause. Ideally, your champions would be the firm's most influential people, at all levels. Some may hold key positions; others may be considered as a trusted voice - those whose opinions the management team respect. Get them on your side and this will be a major boost to your chances of success.

Detractors

You should also consider who might try to block your plans. Usually, it will be those who feel threatened or side-lined. For example, the IT department may be concerned about losing influence if the new software system is hosted in the cloud. Or line managers may be worried the system will be difficult to use. Objections often surface simply because of a lack of understanding.

Don't leave potential detractors out of the process: talk to them early to address their concerns.

Summary

RESOURCEINN
Empowering Business Smartly

Persuading decision makers to invest in new HR software requires ambition, nimbleness and a level of commerciality.

Fundamentally, you will need to demonstrate that the new system will have a financial return. You will also need to show that the administration time saved due to increased automation and self-service will be maximized by the HR team. And you'll need evidence on how the software reduces business risks, such as failing to comply with the latest legislation.

Next, you'll need to show you've given careful consideration to the implementation. This must alleviate obvious concerns most managers will have - such as being too difficult to implement, potentially disruptive and requiring internal change.

If you are considering a cloud-based solution, you may have to confront outdated concerns about the cloud's limitations and increased security risk. You must reassure managers that the newest cloud solutions are affordable, flexible and scalable. You can also maintain to managers that with cloud software, there will be no need to get bogged down in heavily complex project rollouts.

Finally, you must give a lot of thought to your key stakeholders. You should tailor your story to senior management and try to ensure all their concerns are addressed early on. You may also want to identify your preferred champions and get them on-board with your project. And you must consider who the likely detractors will be and act early to allay their concerns.

Every day, hundreds of growing businesses make the decision to invest in new HR software for good reasons. So, you should be confident that your decision to propose a solution is justified. Make it more about the business, not just the HR team, and this will give you a much greater chance of achieving the critical sign-off you desire.

All-in-one HR software for the growing business

Six

— About us

RESOURCEINN
Empowering Business Smartly

Resourceinn is a cloud-based HR software company for growing businesses with 30+ employees.

Since launching in 2016, we've been building a comprehensive suite of HR functionality that equips the small to large enterprise with everything needed to build an efficient HR operation. This includes your core HR database, self-service, recruitment, performance management, time and attendance, expenses, reporting and analytics. Resourceinn also comes with customizable workflows to help you automate and streamline processes, such as onboarding and offboarding.

Today's cloud HR solutions are more affordable and offer rich functionality, however most vendors provide a one-size-fits-all system and leave it to you to learn how to use it.

We continue to evolve our software collaboratively with our customers. Not only does this mean you can directly input into our product roadmap, more importantly it means you'll have a system that grows with you.

At Resourceinn we believe you deserve more. For us, it's more than just providing you with the technology.

We are passionate about ensuring you get the most out of our software. Our friendly and approachable customer success team is dedicated to helping you get set-up quickly with ongoing training and technical support throughout your Resourceinn journey.s