

A woman with long brown hair and glasses is sitting at a desk, smiling while typing on a laptop. She is wearing a white sleeveless top. The background shows a bright office window with a view of a city.

**10**

# Steps to HRIS Success

A guide to buying HR software

# 10 STEPS TO HRIS SUCCESS

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**HR software has changed dramatically over the past decade. Traditionally, many HR processes were time-consuming because they had to be performed manually. Now, computers handle a variety of the processes, providing more time for other activities within the business.**

When you are responsible for choosing a human resource information system (HRIS), it can be difficult to determine which system is right for your company. This guide will provide you with 10 steps to help you select the correct system. You will learn how to determine your needs, look at various software systems, and ultimately make a decision.

Software selection is a complex process that needs to be broken down. It requires an intellectual and focused approach to address all of the issues that you are currently faced with in order to find more effective solutions within a new software program.



## STEP 1: Research HRIS Software

Before you can choose any kind of HRIS software, you need to know what is available on the market. This means taking the time to look at the different software applications and educating yourself on all of the features. You can look up articles and view online resources such as Matchr.com to review HRIS applications on the market.

The more you understand about HRIS software, the more you will be able to make an educated decision. Many websites and online resources contain videos where you can see software in action. This will help you to understand some of the features in the HRIS system that you can explore and it will also help to identify some of the time saving opportunities available within software.





## STEP 2: Determine Your Needs

You already know where you are spending the bulk of your time throughout the day. HRIS software is designed to provide you with time savings and help you to be more productive. There are hundreds of software providers throughout North America. Each vendor provides a unique set of features. You will need to determine what kind of functionality you need in order to help you choose the best system.

Many of the vendors offer the same functionality within the HRIS systems they provide. They will track job history, turnover, birthdays, anniversaries, performance review dates and much more. While most vendors offer similar functionality, share any unique requirements with vendors up-front—this helps to quickly eliminate vendors who are not suited to meet for your organization's HR software needs.

When you are determining your needs, it can be advantageous to create a requirements spreadsheet. Establish all of your needs down one side of the spreadsheet and all of the vendors on the top of the spreadsheet. From there, you can make checkmarks based upon which vendor is able to meet all of your needs. Be sure not to stop searching for an HRIS software provider until all of your needs are met.

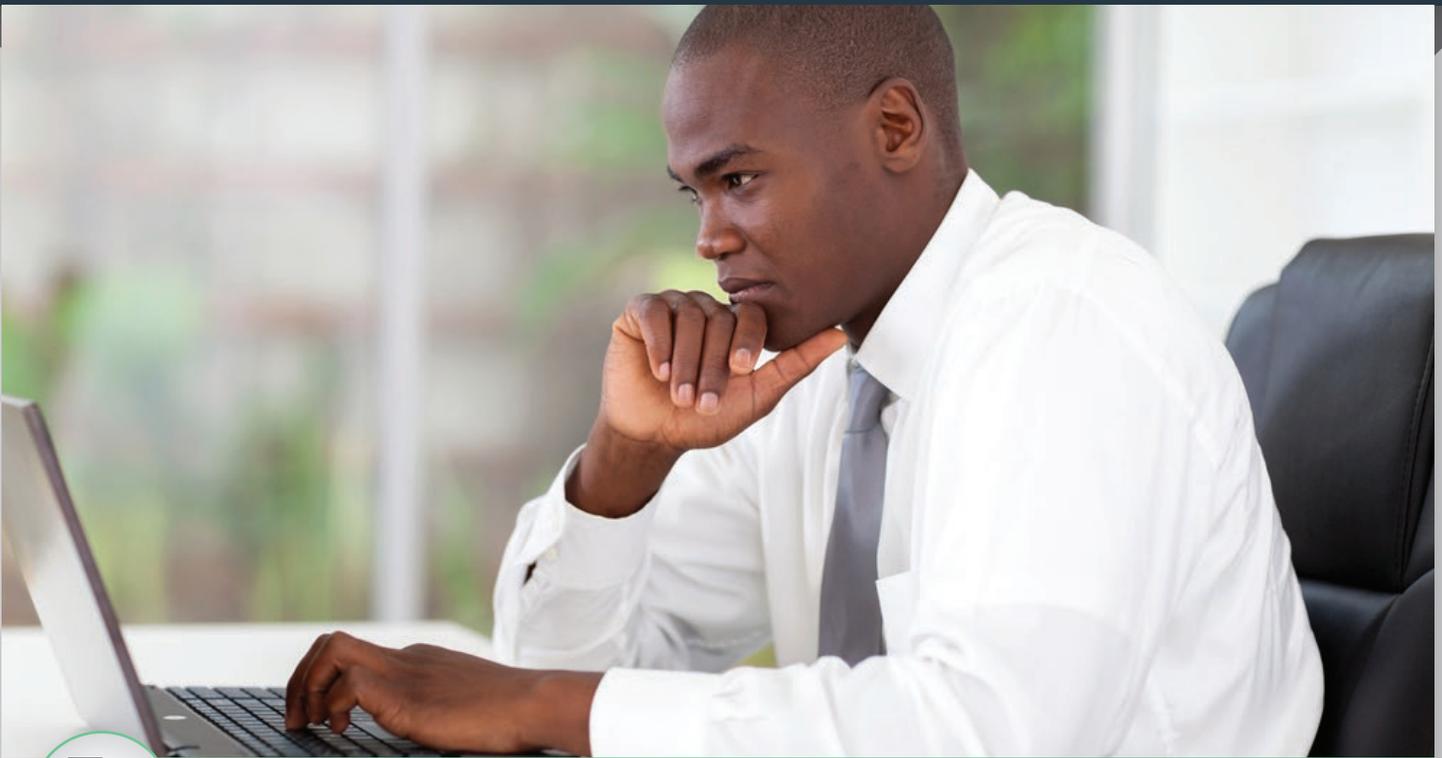


## STEP 3: Determine Your Budget

Every company has a budget. Unfortunately, HR is viewed as a cost center in many organizations because of the hiring and training expenses. Your goal is to demonstrate that HRIS software can help you to reduce many of these costs. For example, if the software can drastically reduce the amount of hours spent processing payroll or tracking turnover rates, you can use this information to acquire/budget more money for the software.



As you searched for different software programs in step one, you probably noticed the varying costs associated with the different HRIS programs—this can help you to determine how much you can afford. There are usually pricing options available from the different HRIS vendors. Hosted solutions can provide you with an array of applications where you will pay at a “per employee” cost per month. There are other solutions that can provide you with applications where you will pay one large cost upfront. You will need to weigh the advantages and disadvantages of each cost model based upon your budget and what your company will allot for this new software.



## STEP 4: Create an RFP

Now, you'll want to create an RFP (request for proposal). An RFP is a standard information-gathering document that will allow you to contact multiple HRIS vendors in order to request a bid for their services. You can specify how much detail you want each vendor to provide you as well as the format. You can also request a demo in addition to a breakdown of cost to be included with the RFP.

Features that you may want to include on the RFP are:

- Overview of company.
- Description of software needs and the employee population.
- Desired functionality of system.
- Required technical environment.
- Request for pricing (inclusive of implementation, training, and maintenance).
- Request for references.
- Details on customer service.
- Request for demo.
- Request for sample contract terms.

Once you have established the RFP, you can submit it and determine a deadline for everyone to submit their proposals back to you. Traditionally the deadline is 4 to 6 weeks.



## STEP 5: Research Companies

As the RFPs are returned, you will want to research the companies. This means looking at not only what they have proposed for you but also what kind of reputation they may have in the HR world. You can often find reviews posted online that tell you about what other companies have to say about the software and whether or not it meets expectations. Resources such as LinkedIn's groups and SHRM's message boards provide you with the opportunity to connect with current and past users of the vendor systems you are reviewing.

You will be able to narrow down some of the options based upon the costs as well as the features that they are able to provide. Take the time to look at the company in terms of how long they have been in business, the members of their leadership team, the types of clients they serve, and what the reference letters have to say about the company. You may also want to request phone numbers for clients so that you can call them directly to find out if they are satisfied with the HRIS that they have in place. However, don't hesitate to do your own investigative work in finding their customers outside their hand-picked list of references. Quite obviously, they will likely only provide you with positive references.



## STEP 6: Ask for Demonstrations

Demonstrations are critical because you need to understand how the software works. A demo should be conducted within your office or via web meeting such as WebEx so that you can see how the software works. A person from the company delivering the demo should be available to explain all of the features of the product. Be wary of vendors who just send you a demo CD or provide you a link over the internet—if they don't have the time to do a live demo of their product it may be symptomatic of a larger customer service problem. While initial demos are usually conducted via web meeting, if a company is willing to provide you with an in-person demonstration, this willingness likely speaks volumes about their commitment to customer service.

The demonstrations should go over all of the different features and provide you with a strong sense of how the software is going to address all of your current issues and concerns. You should also be able to manipulate the data during the demo so that you can see how it works on your

own. Many software vendors have a "standard" product demo—this is not the kind of demo you want. You can create a list of specific questions in order for the demonstration to be personalized toward your needs.

You should also ask several of your HR team members to be involved in the demonstration so that they are able to ask questions and address any concerns as well.





## STEP 7: Compare Features

It is important to compare all of the features provided by the HRIS software solutions. Go back to the spreadsheet you created in step two. Reviewing this document will remind you of all of the features that you said were important and that you wanted within a software solution. If a particular company cannot provide you with the features that are important to you, you can eliminate them from your list. Prior to crossing them off, you can contact them again to ensure that you did not miss something. Many companies have tiered product options and you may simply need to go into the next tier in order to get what you want.



There may also be software solutions that provide you with more features than what you need. Do not discount these because you may be able to grow into these features down the road. For example, right now you may only be looking for an HRIS software that allows you to save time with organizing employee data. However, if you can also save time with payroll, benefits, PTO calculations and recruiting, it can be an advantageous program to look into.



## STEP 8: Review Again

Once you have created a short list of HRIS providers, you will want to conduct the review process again. Go through each and every company to look at how long they have been in business, what kinds of employees they deal with, and who has used them in the past. Find out if they have been reviewed online in a positive manner and contact them to go over their technical and customer support policies.

Review all of the contracts side-by-side to determine if there is anything that looks troubling. Talk to the representatives and go over all of your concerns. Collaborate with your staff to ensure that they all have a say about the system as well since they will ultimately be the ones using it on a daily basis.

If you are unsure about a program, ask to see a demo again—this can help to refresh your memory about a particular program and make you realize what you did or did not like about it. If you request a second demo, the traditional demo that companies usually provide should be sufficient.

It can also be beneficial to ask for a trial of the HRIS software. Many providers will offer you a 30 or 60-day trial so that you can test it out and see if it meets your needs. After that point, you can purchase or try out a different program.



## STEP 9: Make a Decision

Now that you have all of the information you need, it is time to make a decision. You can look over the spreadsheet in order to see which companies have been able to meet (and exceed) the list of features required. You can also speak to your staff to see what their preferences are.

By making a decision, you are choosing the human resource information system to use within your business. This is the system that will be used throughout all offices and will affect how information is collected and dispersed. It is important that you take this decision seriously and that you have all the information that you need prior to making that decision. If for any reason you're unsure, you can go back to any of the steps to obtain additional information.



## STEP 10: Implement

Implementation is the final step. You will want to work hand-in-hand with the HRIS software provider in order for them to assist you with rolling out the software across your company. If you selected an on-premise software delivery option, they should install the software on all of the computers and set up training sessions for you and all of your employees.

Additionally, they should be on hand for the next several weeks to address any technical concerns or issues that result from having a new system in place.

During the implementation process, you may also want to involve other departments. When other departments understand how your HRIS software works, they can provide additional data to you and ensure that data coming to you is in the correct format. They will also be able to understand what reports they are now able to get from the HR department without having to do work on their own.



## CONCLUSION

These 10 steps are designed to assist you with the HRIS software selection process. Your goal throughout this process is to help prove to other departments that the HR department is not a cost center and that with the right software, you can increase productivity and reduce overall costs. By making necessary comparisons between the different providers, you can find a solution that will meet all of your needs – and often exceed them. Various features can help you to organize data and be able to provide information into the hands of decision-makers on-demand. Choosing the right HRIS software is simpler than you might think. As long as you follow the 10 steps, you can simplify the process and choose an effective program that will take your HR department to the next level.

