

# HOW TO SELL YOUR HRMS PROJECT TO SENIOR MANAGEMENT

Expert advice to help you achieve senior management approval for your HRMS project

## GUIDE HIGHLIGHTS



Highlighting legacy issues to senior management



Measuring and presenting ROI forecasts



Obtaining commitment to a project plan



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## THE IMPORTANCE OF EXECUTIVE BUY-IN

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You can see a clear need for a new HRMS system in your organization. Maybe this will be the first time somebody has tried to introduce such technology, or maybe it's a case of replacing the old HRMS. Either way, you can see the advantages such an investment offers. However, not everyone shares your vision. And the final decision on the matter doesn't rest on your shoulders.

In order to realize your dreams of updating your HR technology, you will need to 'sell' the idea of a new HRMS to senior management. What follows is a route to building a persuasive case that will sway those with their hands on the purse strings, including:

- Understanding the importance of senior buy-in
- Gaining support from other departments/managers/employees
- Highlighting legacy HR issues
- Measuring and presenting ROI forecasts
- Obtaining commitment to a project plan

So, why is it so important to overcome the notoriously short attention span of the C-suite and generate some enthusiasm at that level?

### QUITE SIMPLY IT'S BECAUSE THE C-SUITE IS IN CHARGE

However flat our organizations and corporate structures become, there is still a hierarchy and the CEO (or equivalent) is at the top, surrounded by various 'chief' officers and directors. Even if you have control of the HR budget, don't be tempted by the adage, "it is easier to apologize later than seek permission now". After all, one potential consequence of an unsupported purchase is an HRMS that is nothing more than a white elephant, and an empty budget.

*"The more people using the available features, the more value the organization will extract from the system"*

## **SUCCESSFUL IMPLEMENTATION DEPENDS ON MORE THAN JUST BUYING THE MOST SUITABLE SOLUTION**

Return on investment relies on adoption by users. The more people using the available features – employee self-service, management analytics, and so on – the more value the organization will extract from the system. As for the C-suite, their position at the ‘top of the pyramid’ makes them role models and influencers. If they are anti-HRMS then so will a significant slice of the workforce be. Never forget that learning to use new software requires work and effort. Why should a supervisor or a clerk bother putting that effort in if the CEO isn’t?

## **THE BEST HRMS ADD VALUE TO AN ORGANIZATION**

These values are aligned with and supporting the achievement of core KPIs. The C-suite is ultimately responsible for overall business performance and it’s just downright treading-on-their-toes to buy and implement a technology solution that will have a significant impact on their ultimate area of responsibility. After all, you wouldn’t enjoy someone from Sales engaging an HR consultant to improve your policies and processes, would you?



## GAINING ORGANIZATION-WIDE SUPPORT

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If you're going to win C-suite approval for your new HRMS project, the first step is not unlike a political campaign – you need some grassroots support. Either through intuition or bitter experience, the Board will know what so many surveys tells us: namely, that anywhere between 50-75% of technology projects will fail due to the 'people factor' (and by 'fail' we mean fail to achieve the hoped-for return on investment). It's time to build some support from the ground up which means stakeholder engagement.

### STAKEHOLDER GROUPS

Your stakeholders are anybody who has an interest in the project and/or some influence over its outcomes. Before you start to talk to people about their views on and uses for a new HRMS, you need to do a little analysis to map out the different stakeholder groups.

Stakeholder groups and their interest in the project (or lack thereof) are likely to be determined by the various roles and responsibilities within the organization. For example, frontline or administrative staff are likely to be interested in the employee self-service functions and how the system will impact on the services they receive from the HR team.

Department heads will be more interested in the analytics and reporting functions and how those might assist them in improving their team's performance levels. As a broad starting point, consider the following groups of stakeholders:

- Frontline staff
- Supervisors and first line managers
- Middle management
- Specialist functions (IT, Finance, etc.)
- Clients/customers
- and, of course, the C-suite

## ENGAGEMENT SUCCESS

As well as consulting on the business requirements that could be met by HRMS functionality, don't forget to consider the issue of attitudes to change (especially IT and technology-driven change). These attitudes are often determined by past experience with similar projects and are usually at the bottom of any resistance you may later encounter – it's worth flushing out these issues at this early stage rather than being ambushed by them later.

*“The Board will know what so many surveys tells us: namely that anywhere between 50-75% of technology projects will fail due to the ‘people factor’”*

Meeting with separate stakeholder groups (and even influential individuals) can be a lengthy process but it's a step you cannot afford to miss out. After all, this process of consultation is a two-way street. Stakeholder engagement is also your opportunity to extol the virtues and advantages that the right HRMS could bring to people's working lives, at all levels of the organization.

Top tips for HRMS stakeholder engagement success are:

- Highlight specific benefits to individual groups – remember to address the “what's in it for me” factor
- Involve enthusiastic respondents in drawing up the system requirements
- Turn cynicism around by using complaints or nitpicking to refine the requirements list
- Tentatively identify the real enthusiasts as project representatives (or even implementation team members) who will champion your cause to their colleagues

By the end of the process, you should have not only a set of system requirements that reflect a cross-section of organizational needs but also the beginnings of your project's support network.



## LEGACY ISSUES TO OVERCOME

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When you're hoping to convince senior executives of the need for a new HRMS solution, as well as taking into account the current stakeholder opinions and positions, you also need to show you're addressing the process and technical side of the equation.

There will be a number of legacy HR issues related to your current processes. These issues will naturally vary from organization to organization but there are some common starting points.

### DATA

Any HRMS is only as good as the HR data it contains and crunches. The implementation of the new system must not only migrate existing data without loss or corruption but ideally improve the quality of that data; especially if you're aiming to introduce significantly more sophisticated reporting and analytics functions to the organization.

*"Any HRMS is only as good as the HR data it contains and crunches"*

Outline an approach to validating and 'cleansing' the existing data. If your organization has any perennial problems with data quality or storage, be sure to show how a new system will address such issues. Also, consider how your current data entry procedures and policies could be improved as part of the HRMS project (data entry is the main point of human error in any HR system).

### DEPLOYMENT

You may be considering a move to the cloud. While there are still plenty of on-premise HRMS available, the majority of the market is now SaaS in nature. If you currently have an on-premise system, you'll be aware of both the pain and comfort that in-house tech support can bring. After all, it's an expense but at least people feel comfortable that a) all their data is kept in-house, and b) there's a feeling of control in that if something does go wrong, they can call "Bob" from IT to fix it rather than some faceless helpdesk operative in a distant data center. Which leads us to...

## INFORMATION SECURITY

Many people are still nervous about keeping data in the cloud. Given that the 'HR in the cloud' market has matured rapidly, this nervousness often comes from a lack of knowledge or understanding about online and data center security measures (and international information security management standards such as ISO 27001) so you need to offer the right reassurances.

## FEAR OF THE UNKNOWN

Change is uncomfortable. While a new HRMS should bring new features, it's precisely those features which can become the barriers to acceptance as people may just not grasp the potential benefits (HR analytics is a good example). On the other hand, persuading people to use a slicker version of something they already derive benefit from is relatively easy. Reassure them that it will do all the old system did but faster and easier and then follow through on that promise (the follow-through can sometimes be tricky so be careful what you promise). However, when the function is completely new to the organization, you may need to carefully walk stakeholders through the 'new idea', starting with the C-suite decision-makers.

Finally, there's whatever is wrong with the current system or way of doing things. Users may have a perception that the current HRMS or processes make their working lives more difficult (and that perception may be true!) For example, it may be overly tight HR control, or a lax BYOD policy, or simply an awkward interface and user experience...use these issues to make your case. These are your golden opportunities to point out how a new HRMS could make such existing bugbears a thing of the past. Use them as levers to turn uncertainty into support.





## MEASURING AND PRESENTING ROI FORECASTS

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It's time for the bottom line. If you want to persuade the C-suite that a new HRMS is the way to go – that they should invest time, money and effort in your project – then you have to treat them like any other investor and tell them what their return could be.

To be blunt, what's in it for the organization? Is it a reduction in overheads or other costs, staffing gains (either a reduction in headcount or the freeing up of HR staff to deal with more complex issues, or both), maybe better handling and use of management information? Whatever benefits you expect to realize, they must be quantified and spelled out in an HRMS ROI forecast, giving executive management a reason to agree with you.

### COMPARING COSTS

In essence, any HRMS ROI forecast exercise is the comparison of pre- and post-HRMS costs of some kind. The key at this stage is to provide enough data to form a solid benchmark of current performance/cost and then show how a new HRMS can improve on that, and by how much.

*“Promise plenty, but never what you can't deliver”*

- A template HRMS ROI forecast exercise might be:
- Deciding on the metrics (performance improvements, measurable processes, etc.)
- Data collection to create the benchmark
- Estimation of a new system's likely impact (this may well involve consultation with stakeholders and vendor research)
- Formulating a set of ROI targets which an HRMS project could realistically hit

One restriction is the historical data available. The likelihood is that the only hard data to hand comes from the people metrics and data already being measured, such as workforce as a percentage of total operating costs, vacancy to post filled recruitment times, employee engagement surveys, or records showing the types of work/inquiries that are received by the HR team.

## **NEGATIVES DRESSED UP AS POSITIVES**

Beware of an over-reliance on cost reduction in HRMS ROI forecasts as these are negatives dressed up as positives (for example, the HR function may cost less as a result of the new system but it's still a cost – you haven't changed anybody's opinion about HR's value). Instead, focus on added benefits and value: increases in service quality, additional services that can now be offered, ways in which the business's KPIs might be achieved more easily... that kind of forecast.

## **REMEMBER TWO KEY POINTS:**

- 1) By nature of their roles and responsibilities, C-suite executives are focused on the hard facts and figures of business performance – don't perpetuate the stereotype of HR as being overly woolly when it comes to the 'real world'.
- 2) You will be held accountable to whatever ROI forecasts you put in your HRMS business case, so be realistic. Promise plenty, but never what you can't deliver.



## OBTAINING COMMITMENT TO A PROJECT PLAN

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All the pieces are in place for your HRMS project. You've done the initial stakeholder mapping and engagement, you know what the different group interests are within the organization, and you have used them to inform the requirements and specification for your future software.

You've looked into the non-people issues too, such as data quality and security, different deployment options, and the likely impact of the fresh features and functions that a new HRMS is likely to bring to the business. You've done the ROI forecasting, looking at how a new HRMS will add tangible and measurable value to the organization's bottom line (and you're prepared to be held accountable for these measures). Now what?

### A FORMAL BUSINESS CASE

Now it's time to focus on the C-suite in earnest and gain their formal commitment to the project. And the first step is taking all your research and preparation and laying it out in a formal business case document. Of course, the specific format should be determined by your organizational culture and accepted norms (maybe you submit business cases by email, maybe in the form of a PowerPoint slide deck, maybe you pin them to the fridge door in the staff kitchen) but to help with the content, most business cases will include the following basic sections:

1. **Context** – the current situation regarding HR technology and data
2. **The need for change** – why the current situation cannot continue long-term
3. **Headline benefits of a new HRMS** – a picture of the future
4. **Recommended system features** – a more detailed rundown of functionality that will meet the organization's needs (i.e. achieve the "picture of the future")
5. **Financials** – likely costs and ROI forecasts
6. **Risks** – what could go wrong and how such eventualities would be mitigated
7. **Proposed project timetable** – a timeline for HRMS selection and implementation
8. **Conclusion** – a summary and request for action/decision

In the risk section, consider including the risk of not going ahead with the HRMS project. This can be a compelling lever for approval.

## A CONVINCING DELIVERY

Once you have your convincing business case, it must be matched by a convincing delivery, often in the form of a presentation to the Board. One option is to make your presentation of the HRMS project to one or two of the more interested/involved stakeholder groups - this is a good way to test the material and also confirm that you are accurately reflecting their interests (and it continues the process of engagement which will can be invaluable when the project gets the green light).

*“Once you have your convincing business case, it must be matched by a convincing delivery”*

On a similar principle, in the same way that political lobbying works (though without the bribery and corruption) you may wish to meet with one or two key members of the C-suite to talk through your research and proposals. Again, you’re testing out the material and receiving valuable feedback and an indicator of how your recommendations may be received.

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