



Human Resource Information Systems

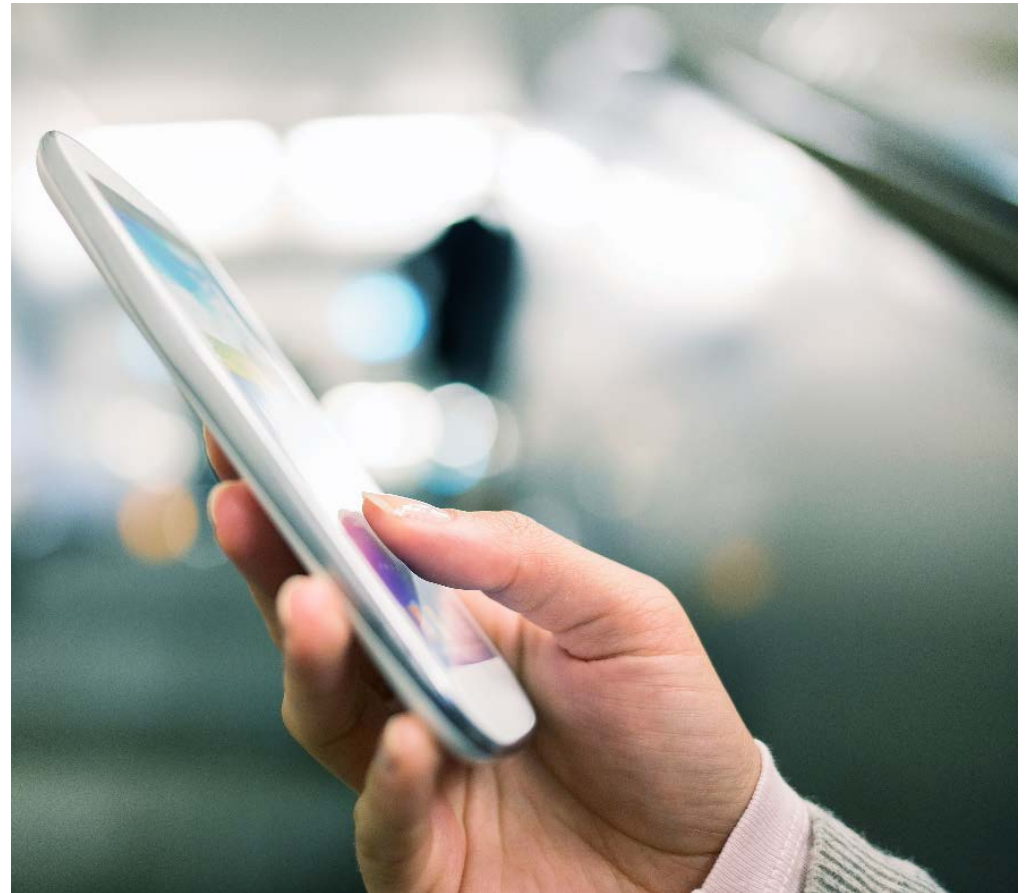
HR in the Cloud workshop session 2

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HRI S Business Case

Introduction

Introduction

Keep in mind...

“HRIS investments should be considered as opportunities for organizational effectiveness, not only for cost-reductions.”

Introduction

What do we want to achieve?

1

Understand the importance of an HRIS Business Case

2

Understand the Cost-Benefits Analysis process

3

Define a realistic HRIS implementation roadmap

HRI S Business Case

Why it is important?

Why it is important?

Justifying new HRIS investments: new tendency

Two strategies: Risk Avoidance versus Organizational Enhancement

HRIS investments are no longer simply focusing on paper-and-pencil automation. HRIS solutions continue to evolve and organisations are faced with new opportunities to extend their HRIS capabilities.

Quantitative Arguments

Increased performance & productivity aligning Talent towards common strategies, goals and objectives, hence increasing potential earnings

Return on investment (ROI)



Qualitative Arguments

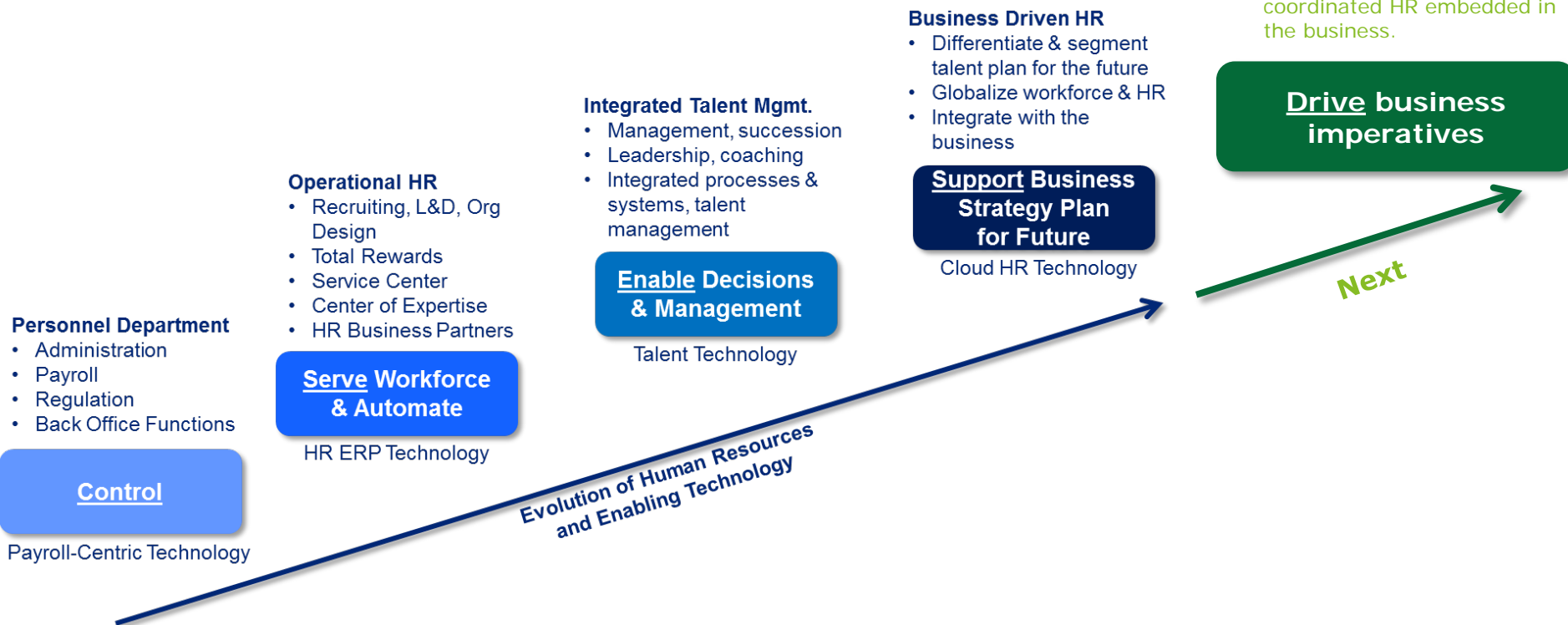
The implementation of an HRIS solution will lead to non-measurable impacts, as increased innovation, employee satisfaction and solution flexibility.



Why it is important?

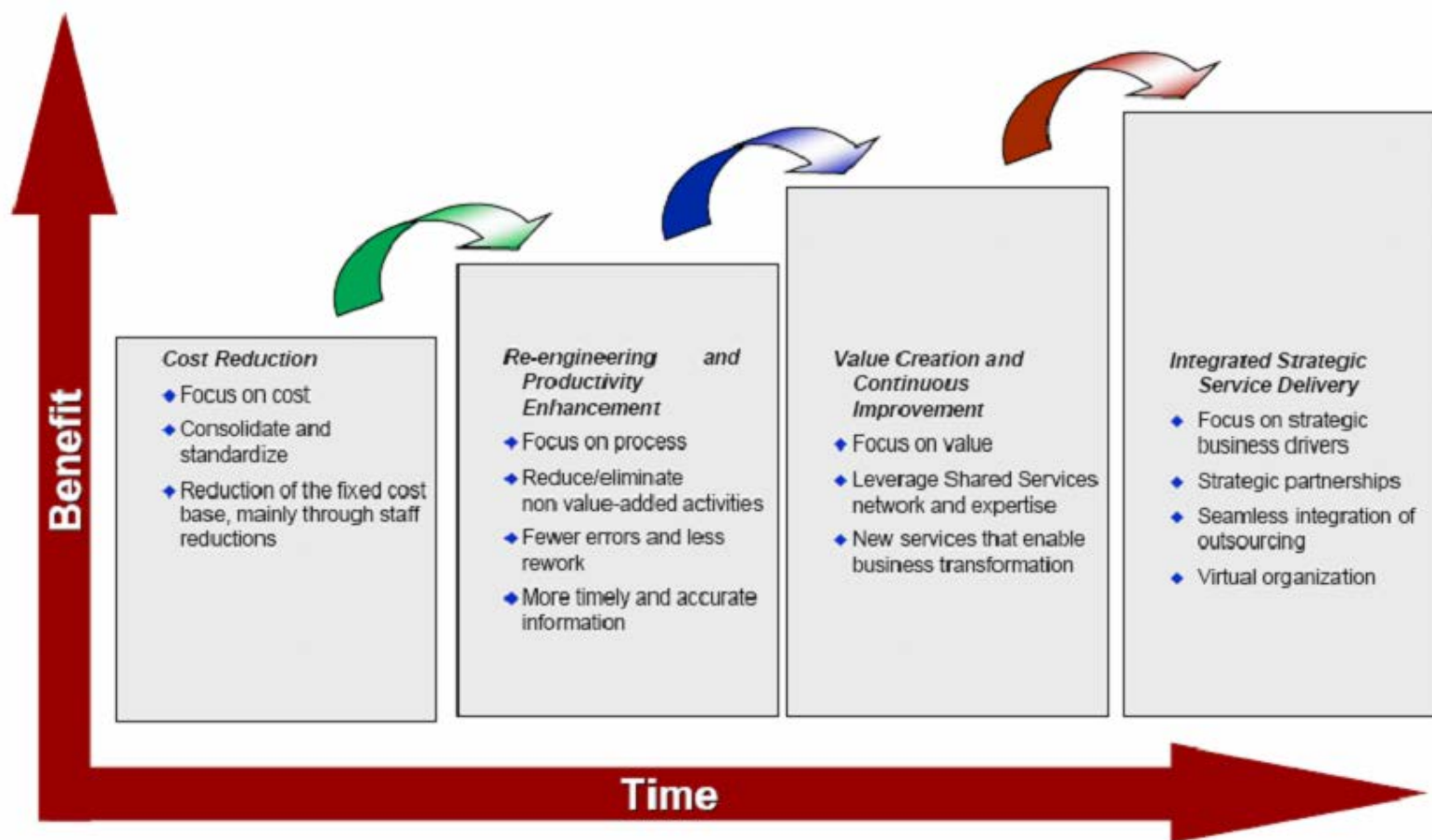
The evolution of the HR function

From “Personnel Department” to “Business Driven HR”: the HR function significantly evolved in the last 30 years.



Why it is important?

Supporting more than cost reduction

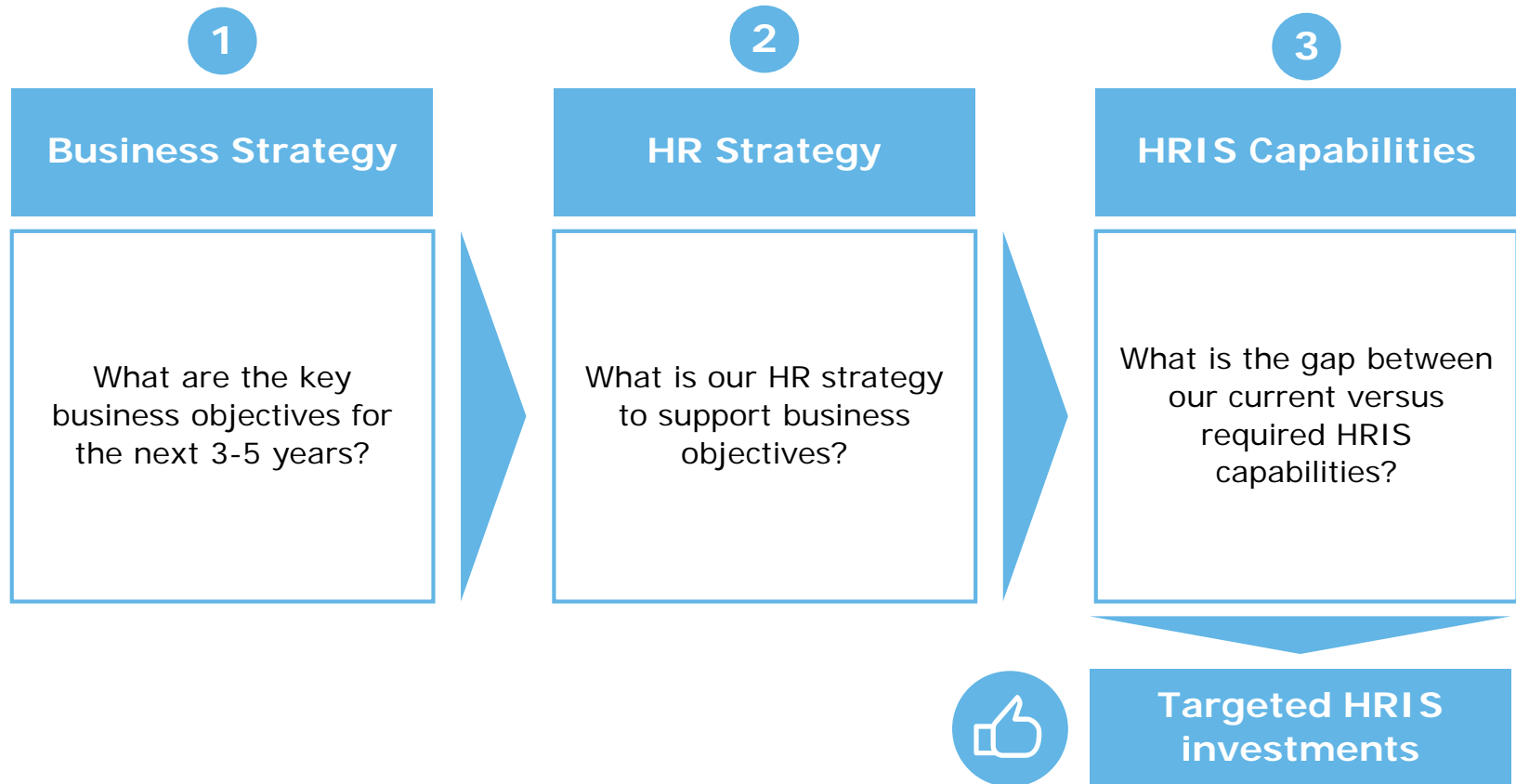


HRI S Business Case

Methodology

Methodology

Linking HRIS investments to Business Strategy



Methodology

Guidelines

Focus on key objectives

The objective behind a business case is to make the best decision for the organization. Sometimes, the decision may be not to proceed with the investment.

Examine benefits before costs

If costs are estimated before benefits, there is a tendency not to explore all potential benefits, once costs are covered by the firsts identified benefit source.

Be honest with yourself

You should perform the cost-benefits analysis without any personal interests. This will lead to an underestimation of costs and overestimation of benefits.

Know your business

You should understand your organization business and how current processes are used to accomplish business objectives, in order to assess HRIS capabilities.

Focus on key functionalities

Don't try to justify the need to implement a specific solution. The key objective is that the HRIS investment should bring more capabilities to your organization.

Think about packaging the results

You should distinguish between the analysis and its packaging to your decision makers. The analysis should be more detailed than the presentation to leaders.

Methodology

Common problems

Use of a single source of benefits

Extensive analysis of costs matched with a single source of benefits, which typically, is an estimate of direct cost reduction.

Confusing direct vs indirect costs

Listing of items as direct cost reductions which actually are indirect cost reduction.

Overestimation of time saved value

Unreasonable estimate of the value assigned to time saved or of the effects of time saved on the organization.

HRI S Business Case

Benefits identification

Benefits identification

Examples of HRIS Features (Performance)

1

Development of meaningful goals fully aligned with organizational strategy



2

Faster user adoption, increased engagement and better quality reviews



3

Easy creation and adaptation of performance forms



4

Meaningful feedback and coaching from managers via integrated functions



5

Out of the box dashboards, such as campaign progress status



6

Access to standard libraries, such as goals & competencies



7

Skills matrix and competencies tracking



8

Easy workflow creation & adaptation, predefined from templates



Benefits identification

Examples of HRIS Features (Compensation)

1

Assure that budgets are compliant, audit-ready and used wisely




2

Out of the box reports to track budgets




3

Cloud connection for integrations to third party payroll providers and aggregators



4

Remote consultation via mobile devices




5

Pre-built reports with greater legal and audit compliance




6

Processes and planning automation with automated information incorporation




7

Effective allocation of compensation budgets to retain top performers and avoid overpaying underperformers



8

Validation checks and approval rules to detect and correct discrepancies




Benefits identification

Examples of HRIS Features (Learning)

1

Manage learning programs




2

Reduce costs, increase training efficiency, and greatly improve user experience



3

Automated custom certifications & compliance management




4

Track the learning progress of employees, including external learnings




5

Facilitated learning using mobile devices, including off-line and on-line learnings




6

Possible course recommendations and ratings



7

Easily access to content in Massive Online Open Courses (MOOCs)



8

Unique access to learning content, including external content



Benefits identification

Examples of HRIS benefits



Flexibility

Improve the reactivity level to implement and configure new functionalities

- *Increased HR reactivity*
- *Reduced maintenance costs*



User Experience

- Enhance user experience and navigation paths
- Improve employees' and managers' engagement

- *Employees engagement*
- *Increased HR productivity*



Features

Introduce new features and services for HR and employees

- *Increased employee satisfaction*
- *Increased HR productivity*



Reporting

Build reporting, for a full picture of employees and align HR with the corporate strategy

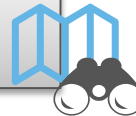
- *Increased HR visibility*
- *Increased HR reactivity*



Integration

Increase integration between HR processes and HRIS applications

- *Reduced paper procedures*
- *Reduce manual interfaces*



Technology

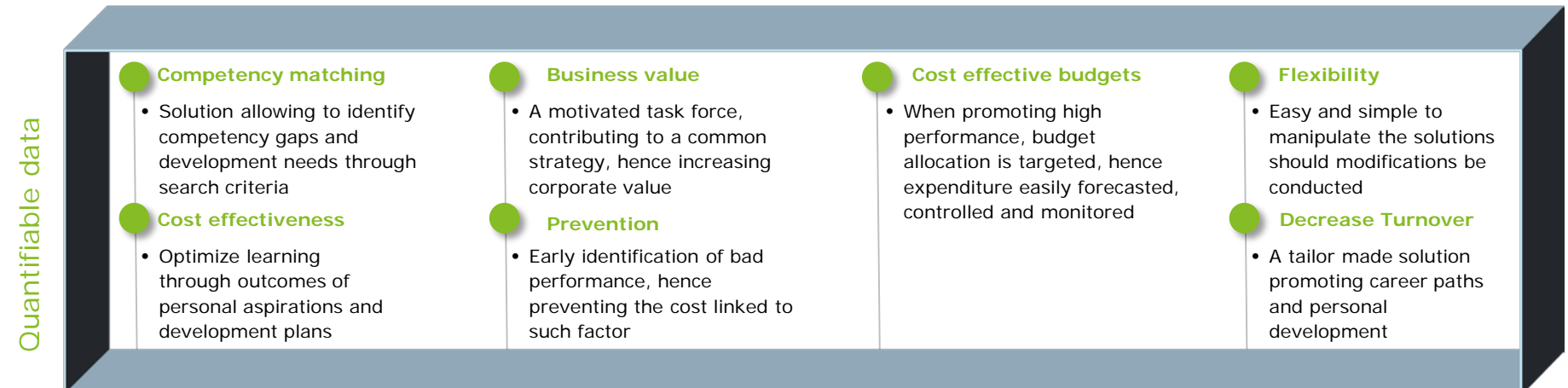
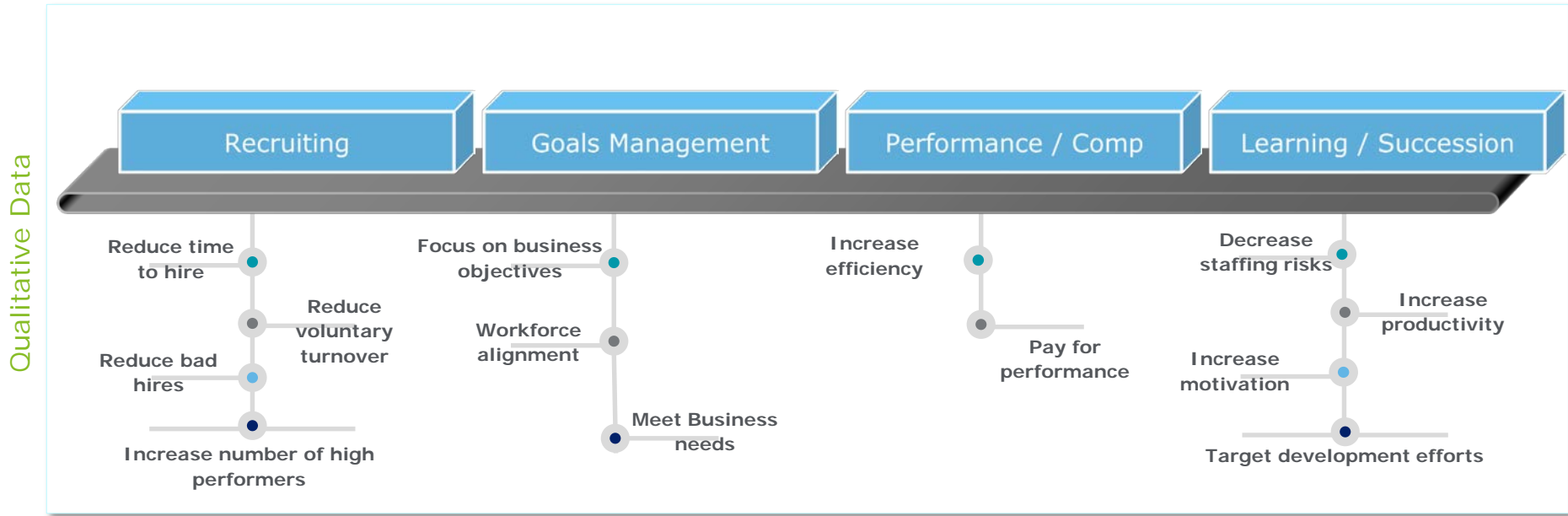
Replace old technologies by introducing best-in-class solutions

- *Reduced technology risks*
- *Reduced maintenance costs*



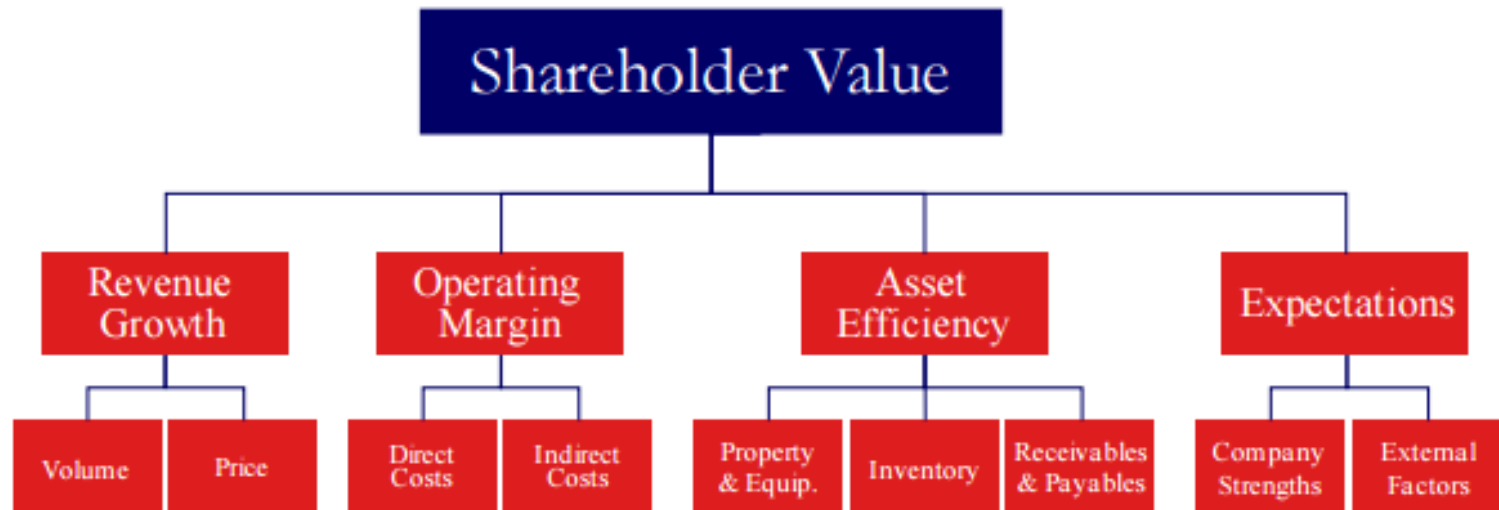
Benefits identification

From qualitative to quantitative benefits



Benefits identification

Linking HRIS Benefits to your business: Enterprise Value Map



Benefits identification Calculation Methods

Direct estimation

Estimating costs and benefits based on Subject Matter Experts point of view. Used when investment is not large compared to important cost reduction.

Advantages & Limitations

- Quick and low-cost to perform
- Highly depending on the expertise of the people providing the estimations.

Benchmarking

Using Benchmark data from other organizations to estimate potential benefits and costs that are likely to result from the new HRIS functionalities.

Advantages & Limitations

- Develop more precise estimates than direct estimation
- Average estimates of outcomes may not be generalized to target organization.

Internal assessment

Analysis based on specific internal assessments of actual costs and likely benefits. Used when organization has appropriate assessment tools.

Advantages & Limitations

- Provides the most accurate estimates of costs and benefits.
- May increase both costs and time required to make decisions.

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Costs estimation

Costs estimation

Linking HRIS Benefits to Business Objectives

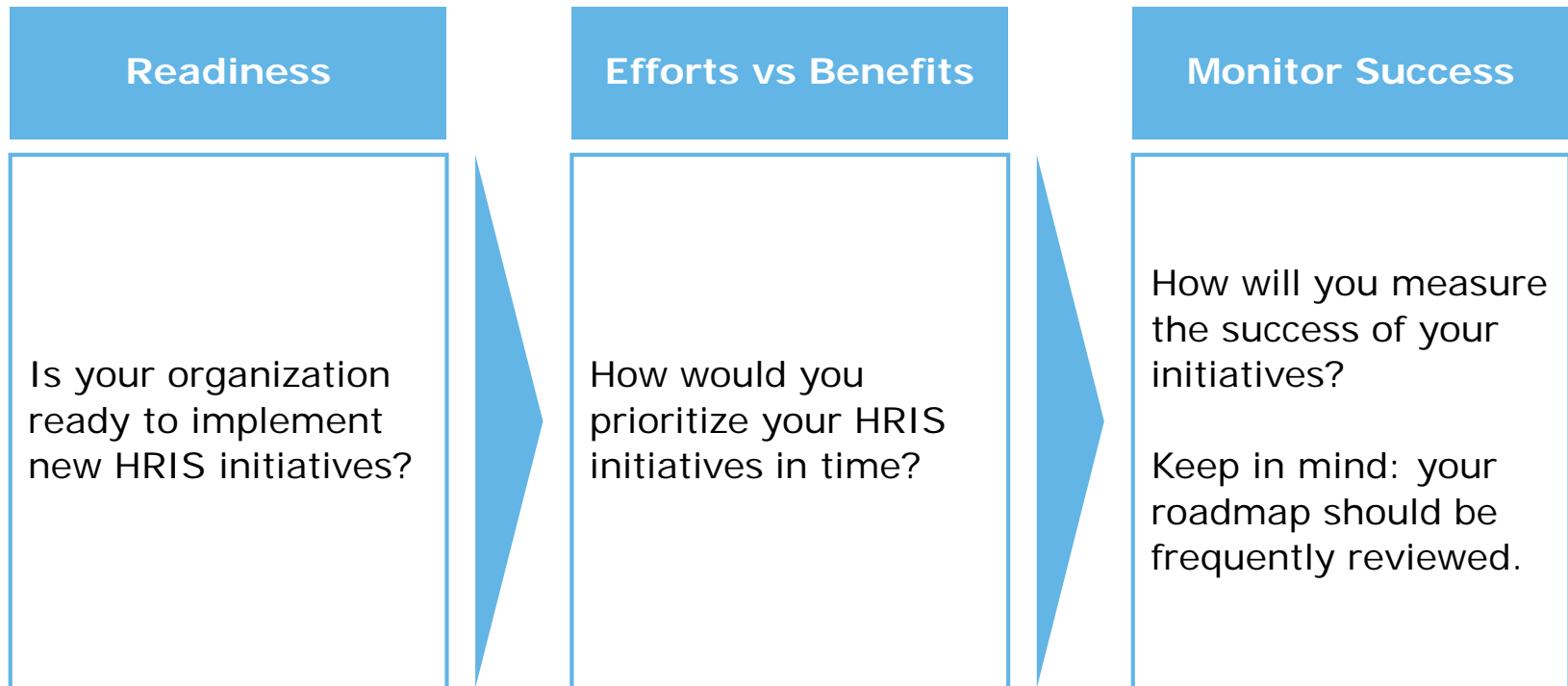
Category	Description	Metrics
Software subscription	A yearly subscription allowing you to use the HRIS solution as a service.	Number of users Modules in scope
Implementation	Internal / External costs related to the design/build/test and deployment of the solution	Scope of the project Processes complexity level
Other costs	Process design, Solution selection, Change Management, Solution support ...	Scope of the project Organization readiness
IT support / Infrastructure	IT involvement for security, integrations, management...	Scope of the project

HRI S Business Case

Roadmap

Roadmap

Defining a realistic HRIS roadmap



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