# BUILDING THE BUSINESS CASE FOR THE PEOPLESOFT HRMS UPGRADE

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## Introduction

With budget dollars scarce, how can you best present your case for upgrading? You may be familiar with some of the feature/function benefits, but how will the upgrade truly affect business? By focusing on the business benefits that will be achieved, and tying the upgrade to an overarching technology strategy, you have the opportunity to prove the strategic value of the upgrade and give yourself a much better chance for approval.

## HCM as a Strategy

Today, if you are like many organizations, you have information about your people sitting inside multiple disparate systems.  With these silos of information comes leakage.  You are losing critical data about your most important asset – your people.  Disconnected information means there is no connection between the valuable data locked inside disparate systems and the critical relationships between people and data that is lost.  You hire someone and know comprehensive details about their capabilities but the information is not carried over to the HRMS system so it is lost.  You train employees on what?  What did they learn?  Did it improve their skills to perform better in their jobs?  And with no connection to the performance management system, there is no connection to which courses they should take or have taken, which should feed into their development plans. Since oftentimes succession plans are tracked on powerpoints and spreadsheets, linking any of this critical information to individual employees is a massive manual effort.

So, how can you fix today's model?  You must look at human capital management (HCM) as a holistic strategy for all your talent and the technology that supports that strategy.   Your mindset needs to be centered on aggregation.  You must think about what systems you have and where the access points and interfaces lie.  HCM also represents a systematic business discipline applied to the HR function.  HR is working towards optimizing processes and even transforming them all together.  Executives are paying close attention to HCM so inaction is no longer an option.

## Vicious Cycle

Your industry, company, or nationality does not matter; there is a battle-ready competitor somewhere who is busy thinking how to beat you.  Products can be quickly duplicated and services cheaply emulated – but innovation, execution, and knowledge cannot.  People are your most valuable weapon.  The collective talent of an organization is its prime source of its ability to effectively compete and win.

The problem we face in HR is that HR technology investments are competing for limited dollars from the overall IT budget. IT has no basis to support investing a significant amount of money on HR and other upgrade projects.  Why?  HR leaders have failed to make the business case showing the strategic value their HR solutions will have on the overall business strategy.  The transactional nature of these applications has had little to no business impact because there is no alignment or linkage to operational business results.  IT management sees the solutions as purely providing basic administrative support.

## HCM Strategy Alignment

Without a clear talent strategy to justify HR technology investments, HR and the HRIS organizations need to implement and shoulder administrative responsibility for highly transactional applications. These two entities need to become more than transactional data administrators and work to consolidate the multiple systems, disparate data silos, and integrate manual processes. HR must stop justifying additional investments or resources in HR technology until a sound strategic HCM strategy is in place. HR needs to articulate value in business terms by showing how talent solutions will help make better decisions, provide greater visibility into high value talent, increase productivity, and more.

Companies are less satisfied with HR delivery in talent management as a result integration of talent management processes and enabling technology is critical to improving satisfaction. There must be alignment of the HCM strategy with corporate objectives. The overall corporate goals and strategies need to feed the HR objectives' goals and strategies then ultimately feed the HCM technology strategy.

## Four Foundational Steps: HRMS Upgrade or Business Systems Upgrade

There are four foundational steps to consider as you investigate the opportunity to upgrade your PeopleSoft system.

### 1. Knowledge: Ask Questions

Start at the top and work down. Meet with the executive staff – CEO, CFO and COO – of your organization and work your way down to the operational line of business leaders. Be assertive and ask them candid questions about what keeps him or her up at night.

- Where is the business going in 2008 and beyond?
- Why are margins below expectations?
- Why didn't earnings meet expectations?
- What are the associated risks and challenges?
- What are the goals they are measured and compensated on?

Develop ideas about the causal links between enabling human capital components and the corporate business objectives.

### 2. Business Partner: Establish Your Peer Role

Look across your company and identify what business units and products are in growth mode. Then identify the key leaders in those areas with power and internal political pull. Work with their staffs to identify key business problems in those units then develop plans for how HR can act to improve their business results like reducing time to market, increasing productivity, improving margins, etc. Once you have established a strategic ink between HR supporting the business drivers with HR technological improvements, ask senior business unit leadership to communicate with the CFO and consider providing funding directly out of their own business unit budget for your initiative.

### 3. Align: Be part of the solution

Build a HCM strategy and technology plan that that directly impacts key business objectives. Consider recruiting competitors' top talent. Build a business case that enables executive leadership to make informed decisions regarding human capital investments and corresponding business impact.

### 4. Impact: Speak the Language of the CXO

Develop two types of measures and metrics and link them to the aligned HCM strategy: HR operation measures and HCM business metrics.

HR Operation Measures
- HR activity (i.e. number of hires, and performance reviews completed)
- Employee outcomes (i.e. employee engagement, key job / role turnover)
- Efficiency of the HR function (i.e. cost per hire, the ratio of HR staff to employees).

HCM Business Metrics:
- Sales training investments to revenue
- Performance ratings to customer satisfaction
- Turnover in key job codes to customer retention

## Prioritization by business impact

As many ERP customers can attest there is an infamous cycle of declining expectations. The project scope is limited to upgrading or installing the system and the initial project scope is overly restricted – with no consideration for strategy, process, or change management. Project results are disappointing to both management and user, alike and blame for results are leveled at IT and technology. There is organizational reluctance to further invest in the system so subsequent upgrades are conducted with more limited scope or alternative options are examined.

The key to success here is involving line of business management. Take the time to understand not only your HR organizations' HCM strategies and priorities, but also how these impact each division. Work closely with the line-of-business managers to define business outcomes and expectations that all stakeholders agree on, ultimately establishing business level ownership of HCM.

Upgrading can be a daunting proposition for any organization. The success of any HCM strategy hinges on a well-defined roadmap that supports a long-term vision, while defining smaller, manageable components that can be accomplished. For many organizations, a three-year plan provides a sufficient window to accommodate multiple initiatives, while providing first year results.

Developing an overall HCM roadmap with defined milestones, dependencies, and realistic time lines is critical to ensuring a successful project. Establishing an executive sponsor, a core project team, associated business partner members, subject matter experts and technical partners, as well as an overall project manager, are critical steps to resourcing your upgrade project.

## HCM StrategyMap Methodology

As you consider the various aspects of your HR portal strategy, consider how an overarching StrategyMap can help you create a holistic plan for moving forward with your technology initiative. A StrategyMap can help you establish the important connection between HR technology and HR strategy by quantifiably linking to the overall corporate goals and objectives of the business.
- Identify opportunities for HR systems to drive business results.
- Transform HR systems into business solutions.
- Prioritize and justify initiatives.
- Crystallize solutions' strategy and plan.

## Conclusion

Understand the importance of tying your upgrade to an overarching technology strategy. Speak the language of finance and senior executives approving your budget request. Articulate the business benefits that will be achieved by upgrading and gain funding for future technology investments. There is a lot of work ahead in mapping out a successful upgrade but the opportunity to help drive better organizational alignment with business objectives will ultimately lead to greater bottom-line results for your organization.