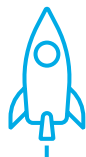


How to choose the right HRM Application



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How to use this guide



Get ready

This guide offers a comprehensive insight into choosing the right application for managing your employees. It is important that the solution fulfils the needs of your organization, meets your goals and expectations, and simplifies your everyday tasks in the field of human resources. We recommend reading the content in its entirety from beginning to end, even though the guide is set up in such a way that you can simply use and review individual chapters that you are interested in.

1. Worksheets and Spreadsheets

This guide contains worksheets and spreadsheets that you can print and use when searching for the best HR solution for your organization.

2. Spreadsheets

If your supervisors love spreadsheets, this guide enables you to present the findings of your market research in a structured and transparent way. The guide also includes an Excel spreadsheet which you can use for all the calculations that you might want to include in your presentation.



This symbol indicates the worksheets that are **printable**.



Introduction

This guide will help you choose the right HRM solution for you. In just 8 easy steps you will find it easier to identify the reasons why an HRM solution would be beneficial, as well as what functionalities you actually require to meet your needs. At the end, the guide will help you put together a compelling business case to be presented to the management of your company.

The time has come for your company to implement a (new) HRM system. The goal is to once and for all say goodbye to confusing record keeping and Excel spreadsheets in which the data of your employees is scattered and disorderly. You definitely want to use an HRM system with which you will successfully manage your employees, work tasks and the entire documentation of your employees. As you know, your HRM system won't only be used by the HR Administrators but also by other colleagues, e.g. managers, management and other employees. This is why it is very important to choose an HRM system that will successfully fulfil the expectations, goals and needs of all users.

Time for change is now!

Let's find the perfect fit for your needs.

What are the benefits of an HRM System?

STEP 1

This guide will help you choose the right HRM solution for you. In just 8 easy steps you will find it easier to identify the reasons why an HRM solution will be beneficial as well as what functionalities you actually require to meet your needs. At the end, the guide will help you put together a compelling business model to be presented to the management of your company.

The most frequent mistake people make when buying an HRM system is approaching the problem as if they are “buying software”. The usual way they approach this is by first preparing a long list of required functionalities, followed by a list of potential HRM system providers, and then obtaining their offers. This is followed by an analysis of which system is the best according to the criteria set in the beginning.

The problem with this approach is that, in the end, you will probably choose a solution that only meets your current needs, but doesn't take into account the unforeseen challenges, and strategic goals and needs that your company will have in the future. So, what should we buy then?

Buy a solution, not “software”.

It is important to take a deep dive, as you will be using the chosen HRM system for at least the next 5 to 10 years. If you don't take your future needs into consideration when making your choice, the solution you end up choosing could limit you and inadvertently cause subsequent, unforeseen expenses. Another possibility is that your chosen solution will not offer the option of any upgrades or expansions of functionality that you may require in the future.

In the following chapters, we will analyse the most common and most important challenges of modern HR departments, which will serve us as a basis on which to build our criteria when purchasing a new long-term HRM system.

1. Modern HR

The labour market is experiencing far-reaching and drastic changes. The challenges of the modern world, technology and more recently new challenges due to the pandemic force organizations to demand changes and solutions that enable quick adaptability to a turbulent environment. In addition, processes in a company are an important responsibility that influences employee satisfaction. When it comes to communication and processes, young generations, which have basically grown up in a digital world, expect that companies will use the most modern and up-to-date solutions.

Some industries are facing a chronic workforce deficiency precisely

because employees are looking for new and better opportunities. There is no shortage of challenges in human resources departments. The primary task of an HR department should therefore always be the care for employees and relationships. However, this is only possible if processes are digitalized and thus make space for important strategic planning. Recent observations indicate that these changes no longer impact just large organizations; nowadays, smaller organizations must also strategically approach the planning of human resources management and have analytics that offer important insights into trends and technology, which help them tackle the challenges of today's labour market.

2. The Criteria for Choosing the HRM System

Nowadays, most companies choose between two types of HRM solutions – traditional and strategic. We have already realized that there is lots of activity in the HR departments, and there is no indication that the amount of work will decline. Therefore, it is logical that most employees in HR departments are mainly focusing on their own tasks, data, and legislation. Thus, solutions that would automate some tasks are being sought, which is definitely an urgent and legitimate approach. However, one must admit that HR Administrators don't merely do "transactional tasks" such as processing documents and requirements. If that were the case, technology would have made all staff obsolete long ago. We know that the reality is different.

Human resources play a key role in organizations, and the purchasing of strategic tools to manage HR processes is much more than mere automation. Strategic management requires a solution which supports strategic activities and offers the personnel department an "inner compass", which enables the needs and values of employees to be in sync with the requirements and values of the organization.

The criteria for choosing a strategic HRM solution

- 01 HR activities, which will solve **CURRENT CHALLENGES**
- 02 HR activities, which will solve **FUTURE CHALLENGES**
- 03 HR activities, which will align **THE GOALS AND VALUES OF EMPLOYEES WITH THE GOALS AND VALUES OF THE ORGANIZATION**



Worksheet 1

List of Criteria

The following is a worksheet which you can fill out and print. To help you, we have already included some of the most common challenges experienced by organizations we have helped in the past.



CURRENT ISSUES

- Minimizing data entry mistakes
- Shortening the recruitment process.
- Staying current with legislation.
- Minimizing manual work.

HR ACTIVITIES FOR CURRENT ISSUES

- Data collection in one place.
- Optimizing the recruitment process.
- The introduction of regular internal audits.

ORGANIZATION'S GOALS

- Access to younger generations (candidates for recruitment).
- Reducing the absences of employees.
- Improving the company's public relations.

EXPECTED CHALLENGES IN THE NEXT 5 YEARS

- Improving the image of the company in the eyes of potential recruitment candidates.
- Becoming the first choice of talent in the labour market.
- Creating a positive experience in the onboarding process (for new employees).

HR ACTIVITIES TO SOLVE FUTURE CHALLENGES

- Shortening and improving the application process for vacancies.
- Improving the experience of candidates from their job application to employment.
- Improving the process and quality of data collection.

HR ACTIVITIES FOR MEETING GOALS

- Incorporating social media in the process of recruitment.
- Creating reports on trends.
- Creating a transparent recruitment process.

Key participants and their goals

STEP 2

The HRM solution is important for the entire organization and is very often used by all employees. Therefore, it is crucial to take into account the needs and goals of all users. That of course does not mean that all employees have to be included in the process of purchasing a (new) HRM system (in fact, we recommend that as few people as possible participate in the selection and purchasing process, otherwise unneeded complications may arise. No matter how many and which colleagues will participate in the selection of the solution, it is important to consider the needs of all those who will be using the solution, since that is the only way to choose the kind of solution that will bring lots of added value to your company. Additionally, people are much more likely to accept change if they are included and can participate. By including suitable and relevant interlocutors, you ensure the

support of colleagues as well as a broader understanding of challenges that the HRM solution can solve, including outside the HR department. This will give you the needed credibility and influence when you present the solution to your decision makers and at the same time, you will be able to provide an insight into the impact the HRM solution will have on other departments (not only HR), as well as the organization as a whole.

The list of (possible) key participants

- HR team
- Accounting
- Finance
- IT
- Managers
- Executive Board (CEO, CFO, CMO and others)



Worksheet 3

Needs and Challenges of Key Participants

The following is a worksheet you can fill in with key participants of your organization, as well as their most frequent issues, challenges, goals and needs in relation to the acquisition and use of the HRM system.



Key participant:

Needs:

Key participant:

Needs:

Key participant:

Needs:

Key participant:

Needs:

Key participant:

Needs:

Key participant:

Needs:

Key participant:

Needs:

Key participant:

Needs:

Key participant:

Needs:

Research

STEP 3

Now that you know what you need, it is time to compile a list of functionalities that will fit your criteria. In this way, you will get a structured overview of the offers of providers and will be able to focus on systems that truly offer what you need. To start off, we have compiled a list with a few ideas to help you. Use it when you are in the process of purchasing an HRM solution and choose 3 providers or their products that best fit your needs.

Understanding of the needs and goals

of key stakeholders will help you choose the right solution for your company.

Planning

STEP 4



Estimated start date
of use of (new) HRM
system:



Now that you know what functionalities you require, it is time to set up a time frame and deadlines for the purchase of the HRM solution. In this step, you will most likely have to cooperate with other (current) partners (e.g. providers of existing systems: records of hours of work, payroll, etc.), therefore we advise that you set clear deadlines and responsibilities for all involved. It often happens that people procrastinate when it comes to decisions to purchase solutions that are of strategic importance to a company, therefore a structured approach and management of such a project is extremely important. Otherwise, a year from now the company may still be in the same situation as today and will have missed many opportunities, which would have improved the department and organization as a whole.

What do I have to keep in mind when devising a timeline?

01 **The timeline suits the provider of the HRM system**

Some providers of HRM systems are proactive and will always be available, as well as respond quickly. Others are large and have complex internal processes, so they may require several days or even weeks to reply to your questions.

02 **The period of soft launch and training**

With the introduction of a HRM solution pilot, you will have the time for evaluation and improvement of any possible shortcomings, as well as allow for the organization (your employees) to get familiar with the new system. User training is a very important part of the process of the HRM system implementation, so most providers offer training for “key users” in their offers. Take advantage of this opportunity, so that you will be able to help your employees later on, if they will need help using the system.

03 **The timeline of implementation**

Most HRM solutions require implementation timeline and the duration depends on the complexity of the system, desired functionalities, the number of integrations with other systems, as well as the amount and structure of data in old systems that were used beforehand (data import).

The Purchase of the HRM Solution

STEP 5

You are now ready to have in-depth talks with the providers of HRM solutions. Questions and reflection have helped you to define the most important factors for your company. Now it is time for the providers to present their offers and for you to choose your favourite. This is what comes next: demo presentations of HRM solutions, gathering and analysing offers, as well as testing free demo versions from providers that offer them. Use the criteria you have defined in preceding steps, so that you can eliminate unsuitable HRM offers from the selection process as soon as possible. Take advantage of the knowledge and advice of providers, their experience, perhaps even consider a reference call to one of their clients. Keep contact with the providers to see how it is to cooperate with them. Such partnerships are long-term; therefore, it is important that you can build a long-term cooperation with your provider.

What to keep in mind when choosing the HRM system provider?

Step 1

Product specifications are meaningless if the system is difficult to use. Insist on a demo presentation of the HRM system, which will ideally be tailored specifically to your needs. It is wise to define 5 to 10 most common tasks and processes that you perform regularly, and ask the provider to demonstrate how such tasks are handled in their system. Pay attention to how long individual tasks take, and pay in mind that you will be doing these activities in the system numerous times in the future. During the presentation, you can even count the number of clicks required to complete a simple activity (such as adding a new employee into the system).

Step 2

Focus primarily on the user experience when using the system, not so much on the functionality itself. Most providers offer roughly the same or very similar functionalities, but the user experience itself tends to be very different. Keep in mind that an easy-to-use system will be much better accepted by your employees.

Step 3

Be sceptical towards providers of HRM who claim that they are able to do everything you want and never say things like “we haven’t done this before” or “this is impossible to implement”. If their reply to your every question is “YES, we will do everything”, this is most likely a sure sign that something is wrong.

Step 4

Ask the provider for a list of references and a reference visit, and talk with existing users of the HRM solution. It is obvious that every provider will praise their own solution, therefore it is wise to find a company similar to yours that is already using the same solution.

Step 5

Get to know your potential provider. Do you have similar values? How are they treating their employees? Are these the kind of people you would like to work with?

Step 6

Get to know the customer support department. Before the purchase, all the doors will surely be open to you. It is important, however, what the situation will be like after the purchase. Will anyone answer your phone call? Call and check. Insist that they give you a detailed explanation of how their customer support works and which services you will be able to use (and whether they are already included in the price of implementation).

After these research steps, you will have a much better insight into **what the market actually offers**. We recommend that you shortlist the best 3 solutions and help yourself with worksheets from step 3. In the next step, you will also create a business case, which is a mandatory step for management approval for the purchase of a **new HRM solution**.

Creating a Business Case

STEP 6

The chosen solution can be perfect, ideal for your department and organization, but if you cannot convince the key stakeholders and decision makers of your company (management), there is little chance that the HRM solution you have in mind will be implemented. The creation of a business case must be approached in a serious, structured and responsible manner, which is anything but simple. That is why we have prepared materials for you, which can be of help. You should expect in advance that the project budget will most likely be the main argument point or “showstopper”. Most decision makers usually don’t understand (or don’t want to understand) the challenges and issues you face when doing all your manual work on a daily basis. The only correct approach to successfully “sell” your proposal is to quantitatively identify the costs of the current state and compare them with the costs after the implementation (of the new HRM system).

For starters, let’s begin with something simple.

The Implementation of the new HRM System

STEP 7

Once you have chosen your provider and the HRM system you wish to implement in your company, it is very important that you consider the following steps before starting with the process of implementation. This will ensure a more peaceful and efficient implementation, without additional unforeseen costs.

Step 1

Who on your side will be a part of the group that will be in charge of a fast, efficient and successful implementation of the new HRM solution in your company? You will most definitely need at least the following people: Project manager (main operational contact), HR administrator/s (content experts who know exactly how long certain processes at your company take, such as recruitment, training, etc.), IT administrator (a person who will be responsible for the editing and adjustments of user rights, user access allocation and other smaller adjustments after the HRM system implementation).

Step 2

The timeline of the HRM system implementation. **Is the timeline, which the HRM provider has prepared, in line with your availability?** If, for example, your company takes a collective leave in August every year, then that is surely not the right time to start with the implementation of the new HRM solution, and neither is it the right time for other important implementation steps, such as testing, key employee training, etc.

Step 3

Check the following with your solution provider: What kind of engagement and at what time is it expected of

your project team? It is necessary to know this, so that you may prepare accordingly and provide all required resources. Namely, the implementation of the new HRM solution is made up of different phases, some of which will require great engagement from your project team (such as data preparation for import, testing of performed changes, training of key users etc.), in addition to other daily tasks.

Step 4

Did you and your HRM discuss in detail how individual HR processes work in your company (e.g. annual development tasks, the process of employee training etc.), or what functionalities the HRM solution which you will implement actually offers? If you haven't done this during the "purchasing process", then it is definitely of utmost importance that you discuss the possibility of additional meetings or workshops (blueprint) with your provider before the start of implementation. This will enable you to check for any gaps between what you actually need and what you are buying.

Step 5

Is your company present in a variety of countries, and the HRM solution you wish to implement needs to support HR processes in other countries? If this is the case, you need to be aware of the many possible pitfalls and avoid them. **The first and key thing is to, if possible, standardize the processes as much as**

possible in all the countries, and to do this before the implementation of the HRM solution takes place. This means that the core of the HRM solution will be the same in all countries, and only certain local legislative specifics will vary from country to country (such as the rules for calculation of annual leave).

If the implementation of the HRM solution for your company will be held in a variety of countries, it is wise to set up a project team that will take care of the implementation in all countries. A wise English proverb says "practice makes perfect", and it is logical that a project team, which will coordinate and lead the implementation of the new HRM solution six times, for example (if you are active in 6 different countries), will amass valuable experience and knowledge in the course of its activity, and thus it will be much more successful and effective, than if you delegated a separate project team for each country. In the latter case, these teams could potentially all be making the same mistakes. Consider the language requirements, too – what language options do you need for the HRM solution (if you are present in different countries)? Which language will you use?

Did you check with the provider beforehand, which language options the HRM solution supports? Is each added language charged extra and how much? All of these are important questions to which it is wise to acquire answers before you start on the implementation, so that it may be effective and successful.

Regular Maintenance, Updates and Upgrades of the HRM System

STEP 8

The implementation of the new HRM system is definitely one of the larger investments and strategic decisions an individual company can make. Considering the fact that we are purchasing the HRM solutions for at least the next 5 to 10 years, it is even more important that we are as prudent as possible and base our decision on research and well-verified information. It is also important that we take a broader look at our investment from a financial standpoint. Different providers have different pricing models, which means that the implementation of their HRM solutions may hold various (often hidden) expenses.

In practice, it often happens that HRM solution providers sell their product at a relatively cheap price, but after the implementation is complete, they charge for all additional services (such as regular system maintenance, customer support, upgrades, updates etc.), and these are charged at a significantly higher price. When you are deciding for an HRM solution implementation, pay special attention to what the cost you are paying includes and what the other potential additional costs are.

We advise you to prepare a so-called TCO (“Total Cost Ownership”) table, in which you can note down and elaborate on all the costs in relation to the implementation, usage and maintenance of the new HRM solution for the next 5 years (an example is included below). This way, you will find it much easier to compare different providers. Of course, keep in mind that it is of key importance to compare HRM solutions that are equal content-wise. For example, there is nothing bad about an HRM solution which is costlier, if it in turn offers a number of additional functionalities (e.g. eSignature, document generation, mass calculation of annual leave for all employees etc.). All these functionalities make it easier or even eliminate menial and manual work, and this is precisely where all the additional savings, which will definitely bring a return on your investment, are hidden.

Total Cost Ownership Table (for 5 years) I SaaS (cloud solution)

Estimated number of users = 100

	1st year (v EUR)	2nd year (v EUR)	3rd year (v EUR)	4th year (v EUR)	5th year (v EUR)
User rights (users and administrators)	10.800,00	10.800,00	10.800,00	10.800,00	10.800,00
Implementation	12.000,00	0,00	0,00	0,00	0,00
Maintenance – basic (included in the price for user rights)	0,00	0,00	0,00	0,00	0,00
Maintenance – advanced	3.120,00	3.120,00	3.120,00	3.120,00	3.120,00
Infrastructure	0,00	0,00	0,00	0,00	0,00
Total	25.920,00	13.920,00	13.920,00	13.920,00	13.920,00

Conclusion

We believe that this guide for implementing an HRM solution will help you to identify the needs of your organization and will enable you to confidently choose a solution that will fulfil your expectations. If you would like to make sure that the digitalization of employee management is the right decision for your company before implementing a new HRM solution, our professional consultants are here to help.



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Take a look at these short videos and see how, with the help of Gecko, you can manage talents and connect your employees in entirely new ways.

- **Recruitment and selection of staff**
<https://youtu.be/B5TBsbILRxE>
- **Onboarding**
<https://youtu.be/eRNCGS8pGmg>
- **Training Administration**
https://youtu.be/8Mad8Ao_tIA
- **Employee Performance and Development**
<https://youtu.be/HJ-fOGP1NWE>
- **Gecko HR Analytics**
<https://youtu.be/ZRYcgVTMJ1s>

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