MASTERING HRMS DEMOS IN 5 EASY STEPS

Your comprehensive resource for planning and evaluating HRMS demos

GUIDE HIGHLIGHTS

- An overview of HRMS demo formats and their uses
- Building a team to plan and evaluate HRMS demos
- Evaluating systems with a demo criteria template

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STEP ONE: LEARNING THE BASICS

Caveat emptor. Let the buyer beware. A principle as relevant today as it ever was. And yet, with the prevalence of online shopping, we buy so many items practically sight unseen (apart from reading a review or two) that it's easy to forget that the more serious the purchase, the more important it is to 'try before you buy'.

If you're considering acquiring a new HRMS for your organization, I doubt you'd regard it as anything other than a serious purchase, and that's why the demo is a critical part of your selection process. That demo might be a quick overview or a full-scale scripted run through of all key features available. It might be a pre-recorded online video with screenshots or you might have the vendor visit you and deliver a face-to-face presentation.

ONLINE 'DEMOS'

At the risk of sounding dictatorial or one-sided, online demos are not what you should be basing your decision on. Quite frankly, an online video on YouTube or the vendor's website isn't a demo, it's a brochure. You wouldn't buy a car solely based on the ad you saw on TV, but that ad (and other marketing materials) might lead you to decide that it was one of the three or four cars you were going to test drive.

Buying an HRMS is no different. So, by all means view dozens of online HRMS demos, but only as a way of whittling down your shortlist to manageable proportions. Then, invite those shortlisted vendors to give a full demo and take their product out for a spin; test it against your specific business needs and see what it can really do.

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IN-PERSON DEMOS

This is your opportunity to test the system. Maybe not to destruction, but you should certainly push it hard and provide it with a challenge or two. Draw up some scripted scenarios that are as 'real-life' as possible.

The demo process involves selecting a representative demo team, designing specific scenarios that test each system uniformly, and evaluating each system with criteria that allow you to measure system performance against your identified requirements.

A good demo will explore the following issues:

- System overview
- User experience
- HR functions
- Document storage
- Mobile functionality
- Self-service functionality
- HR analytics
- Integration with other systems
- Data security
- Implementation timescales
- Price
- Vendor stability

MAKE SURE YOU HAVE SELECTED A GOOD SHORTLIST

The demo is the last stage in the selection process before you make your purchase decision. Ideally, you'll be demo'ing no more than three separate systems, and with the hundreds of options available that means some rigorous shortlisting.

As well as online demos and vendor websites, there are numerous information sources to help you shorten the list (I'm assuming that you've already drawn up your specific requirements in the form of an RFP or similar), including Gartner's Magic Quadrant or Forrester's Wave. All of these give an expert analyst's view of the leading players and rising stars for specific software areas. Your goal is to do enough research that all the vendors on your shortlist are potentially a 'winner' - in other words, you're choosing the best of the best fit options.

STEP TWO: SELECTING YOUR DEMO TEAM

An HRMS demo is not a solo mission, and before you begin inviting vendors to display their wares or designing testing scenarios, you need to decide who should be involved for the best possible outcome (which is, of course, the selection of the perfect software for your business needs).

WHICH PEOPLE IN WHICH TEAM?

Current industry thinking suggests that the selection process requires a core team, an extended team, and a demo team. Some people will be members of all three, some not. In a nutshell, the so-called core team is basically the people doing the actual work of selection, including making the final decision, the people who drive the project forward.

The extended team is the core team plus the various key stakeholders, representatives of the different parts of the organization that will be affected by the new system; between them, they provide the full range of perspectives that set the business requirements. The demo team consists of the critical people from the other two groups who help assess the shortlisted HRMS systems against the business requirements.

SCHEDULE WELL

Not everyone on your demo team will necessarily be present for the whole demo; it may be that their expertise and input is only required for part of it. But before you worry about the issue of scheduling, first you must select the team. Possible team members may include representatives of the following functions:

- Human Resources (obvious, but true)
- IT for practical technical advice and oversight
- Procurement for procedural compliance
- Finance for budgetary reality
- Senior management and/or C-suite for strategic value (and possibly for signing off the final decision)

Membership of these teams should ideally be driven by who has the relevant expertise and/or responsibility. However, do bear in mind that in the real world, the question, 'Who has the time available?' can be just as influential, even if it does result in a compromise.

If budget permits you might also bring in some external help in the form of an HRMS consultant. This is an objective role with experience of multiple selection and implementation projects who can provide an expertise usually missing in the average organization (if only because you don't change your HRMS so often).

"the HRMS demo process will go smoother if you can agree on an allocation of responsibilities"

DON'T FORGET TO DELEGATE

Finally, once you have your team, the HRMS demo process will go smoother if you can agree on an allocation of responsibilities. As with any meeting, appoint a chair to manage the process. If you have multiple scenarios in the final demo script, assign an 'owner' for each one. And have a note taker who will record key points, answers, lack of answers, and any issues to be followed up. Apart from the efficiency and clarity that comes from the kind of role allocation, you'll also present a more efficient image to the vendor, which is no bad thing.

STEP THREE: PLANNING FOR VENDOR DEMOS

Ever attended a meeting that had no agenda, didn't start on time (or finish on time) at which no one really seemed certain of the purpose of getting together? If the answer is no, you're lucky. And if the answer is yes, it's precisely that experience you should aim to avoid when preparing for the demo phase. The following are the key practical details to get a handle on when bringing your shortlisted vendors in to meet your demo team.

OBVIOUS BUT PRACTICAL DETAILS

It should go without saying, but you'll need a venue that is large enough to hold everyone and has the resources to view the various HRMS options at their best. So, not only do you need to know how many people are in your demo team, but also how many are in each vendor's sales team (and if you feel they're bringing too many – there's rarely a reason for more than two – feel free to impose a limit. After all, you're in charge).

Check out the technical needs: power points, projectors, screens, etc. If any of your team are attending at a distance, then you may need video conferencing facilities. And finally, if you plan on taking a break, some refreshments might be appreciated.

SCENARIOS & SCRIPTS

The key part of preparation is putting together some common scenarios for each vendor to prove themselves against. For it to be a fair process (and to make it easier for you to find a 'winner') each candidate vendor should receive the same test. A particular advantage of having a series of common, structured scenarios is that more specialist members of your team may not need to attend the whole demo; the accounts representative may only need to see the payroll scenario, for example.

"Current wisdom suggests offering anything but an easy ride for the vendors, designing scenarios that deliberately seek to expose potential weaknesses"

As to the content, current wisdom suggests offering anything but an easy ride for the vendors, designing scenarios that deliberately seek to expose potential weaknesses. Look for the elements of your business that are unique or different to the mainstream in terms of payroll, learning and development, recruitment, or time and attendance and focus on those. For example, if you have a lot of mobile workers, look at clocking in and scheduling for staff who are rarely physically present.

Do share the scripts with the vendors beforehand, giving plenty of notice and answering any questions they may have about your requirements (you want to see their systems at their best, remember?)

QUESTIONS

Just as with a recruitment interview, prepare the starter questions beforehand. While you certainly need to know about basic system functionality, don't neglect the broader issues, such as data security (disaster recover, data storage), pricing models (exploring the potential hidden costs, including labor), implementation timescales (including how the vendor intends to deal with essential steps such as training), vendor stability (how long have they been in business, are whether they a viable prospect for long-term support) and references from previous customers in similar businesses to your own.

Again as with a candidate for a job, research the vendors prior to the demo. Find out what you can about their company and their products, talk to your peers and network contacts, and use the information to devise questions that will address any concerns you may have.

STEP FOUR: DURING THE DEMONSTRATION

Demo day is here, and as your shortlisted vendors prepare to wow you with the latest technology known to human resources administration, you have some points to bear in mind. You've prepared well – the venue is perfect, your scenarios are scripted, and you have your questions ready - now it's time to put it into action.

SCHEDULING

You have a running order for the vendors - you know who will be in the room and when - but do you need to do the same for your demo team?

The size and composition of your demo team is largely driven by the complexity of your requirements and in larger organizations it may be that you have several people whose input is highly valuable but who only need to see one element of each system's functionality or performance. For example, an accountant might only be interested in the payroll module, the IT person in installation issues, the c-suite representative in high-level analytics and reporting (hopefully, a board member would take a wider interest but, well, they are busy people...)

If possible, juggle the schedule so that people with these 'niche' interests can drop in and out of the demo meeting – if you can make it work, they'll appreciate not wasting their time, and they won't be 'underfoot' during the rest of the demo.

INTERRUPTIONS AND OFF-SCRIPT MOMENTS

The thing about having a script is that some people then don't like to deviate from it. What's more, your vendors will have their own script or agenda for their presentation. So, what about diverging from the plan? Depending on what you hear during the demo, it's okay to interrupt the vendor's presentation, either because you have a specific question or because they're guiding you away from the issues you want to hear about.

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However, idle or semi-relevant questions that interrupt the flow (yours or the vendors) are to be avoided.

If you have any sort of break during a demo, be wary of conversations that lead into the vendor discussing specific product features with individuals (or even turn into a personal mini 'demo-within-the-demo') – all presentations and questions should be conducted in the presence of everyone on the team that needs to hear them.

IT'S ABOUT CONTROL

Never forget, you're the customer. Potential customer, in fact. What's more, you have no obligation to buy any of the packages on your list (although naturally, you're hoping that you will, if only so as not to find yourself back at square one!) So, maintain (or when necessary, regain) control over the demo process.

A good way to do that is to return to your prepared questions. There are two broad types: system-specific (functions, inputs, outputs, technical specs, customization, integration with other software, data security, price etc.) and vendor issues, which may explore the following:

- What references or endorsements can you provide?
- How stable is your company?
- Will the system keep pace if we grow?
- How well do you understand our business?

SCORECARDS

When the demos are over, you and your team will be sitting down to discuss the best option, but after three or four possibly quite similar presentations, the details can blur. One way to keep things clear is for everyone to complete a scorecard for each system on show.

Take your various criteria (derived from the initial business case for the purchase of a new HRMS) and have individuals use a simple rating scale for each one, such as:

0 – does not meet the criteria

1 – partly meets the criteria

2 – fully meets the criteria

3 – exceeds the criteria

The basic quantitative data from these scorecards will make the next stage – the evaluation of the various vendors and their products – so much easier.

STEP FIVE: EVALUATING VENDOR DEMOS

The show's over. Your demos are done. It's time to work out what it is you've just seen and make a decision, and to do that as a team.

Ideally, the whole demo team (including any 'specialists' who were only present for a specific section of each vendor's presentation) will meet and debrief on the same day as the demos took place, while the various offerings are still fresh in everyone's memory.

Having made that point about memory, do bear in mind that the most memorable and impressive demo does not necessarily indicate the most suitable HRMS for you. Vendors are (or should be) professional sellers. Making an impressive presentation is a sales and marketing technique that comes as standard in an demo. You're looking for the best system for your organizational needs, not the best salesperson.

HAVE AN AGENDA

As in any other kind of meeting, having a clear agenda will make the whole process smoother and more efficient. Don't have a free-for-all discussion that begins with, "So, what did everybody think?" Instead, discuss each system's performance against key issues and/or criteria. One suggested order of discussion is as follows:

- System functions. Drawing on your RFP or original business case, consider the different processes or modules: time and attendance, learning management, recruitment, HR analytics etc
- User experience. How intuitive is the system? How different to your current system? How much user training will be required?
- Self-service. What potential efficiencies and benefits exist? For employees? For managers?
- Mobile. How well does it meet the requirements of your mobile or distance workers?
- Integration with other systems. Does it fit like a glove with your other business intelligence systems, or are you looking at significant patches and workarounds?
- Data security.Where is the data stored? What recovery plans are in place?

At this point, do NOT consider the issue of cost. This might sound counterintuitive but consider this:

if price is weighed alongside the more technical/practical/functional criteria, then you're potentially introducing a 'budgetary bias' what will probably skew your results. At this stage of the evaluation, you're looking for the best-fit system for your needs. If that turns out to be too expensive, then either a) you may be able to negotiate a better deal, or b) you go for 'second best'. But if you do, it's better to do so in the full knowledge that you're making a compromise.

If you don't compartmentalize the discussion, you run the risk of just discussing the issue until you collectively convince yourselves that the 'second choice' is really the best system for you, probably 'rewriting' the system requirements and assessment criteria you worked so hard on in the first place.

SCORES ON THE DOORS

The starting point of each element of the evaluation outlined above is to agree on each vendor's score against the evaluation criteria. Different team members will have different views and getting to the detail of why a particular HRMS 'fully meets' instead of only 'partly meets' a criterion can be a very productive exploration of the system.

That said, sooner or later you need a consensus and it's as well to be clear on who has the casting vote. Furthermore, the person with the role of 'tiebreaker' doesn't have to be the same for all criteria. In the same way as you may have weighted the criteria, you might weight people's opinions, and that weight may not necessarily come from seniority. For instance, when it comes to the practicalities of the payroll module, the payroll and accounting representative on the team will probably have more practical insight than anyone else.

WIDER ISSUES

Finally, having dealt with the more measurable criteria and score, be open to the possibility of not going with the highest-scoring option. Yes, the top-scoring HRMS is probably the 'winner', but there are broader considerations to take into account. These include:

- Implementation timescale. Can your favored vendor meet your schedule?
- Vendor stability. Put simply, are they likely to be in business for as long as you need them?
- Futureproofing. How does each vendor see their HRMS developing over the next few years? Is that plan likely to meet your own changing requirements?
- Pricing (Yes, now you can talk about cost, including the TCO or total cost of ownership, factoring in all the potentially hidden costs).

Once the HRMS demos are done and you have a decision that everyone can sign up to, it's on to the next stages: taking up references, conducting negotiations, agreeing contracts and then, the joys of system implementation. But that's a topic for another day...

HRMS DEMO CRITERIA TEMPLATE

SYSTEM SPECIFICATION

1. System overview – log in, menus, switching between processes and modules.

2. User experience – interface, screen, field and process customization, search facilities.

3. HR functions – employee records management, recruitment, onboarding, benefits administration, payroll, performance management, learning and development, talent management & succession planning, etc. (Not all of these may apply, or you may have extras).

4. Document storage – capture/input/scanning/retrieval.

5. Mobile functionality – including device management and any BYOD implications.

6. Self-service functionality – employees/all users, managers, C-suite.

7. HR analytics – be clear on what reports and metrics you must have, would like to have, and then ask what else it can do.

8. Integration – what other HR or business intelligence software does it need to 'talk to' and how will the vendor guarantee that happens smoothly?

BROADER ISSUES

9. Data security – protection from both external and internal threats; disaster recover; if it's a cloud system, where is the data stored?

10. Compliance - Do they have SSAE 16 audit certification relating to their internal systems and controls?

11. Implementation timescales – realistically when can it be up and running (expect a cloud systems to be faster).

12. Pricing model – is the system licensed or on a subscription basis? Are maintenance and update/upgrade/support costs included? How does the vendor's price compare to the total cost of ownership (TCO) including the following, often hidden, costs:

- System installation
- System upgrades
- System maintenance costs - IT costs specifically related to maintaining the system
- Direct labor costs - staff necessary to support the system
- Direct non-labor costs – consultants, vendor fees and facilities, and any related overheads
- Indirect labor costs - labor costs for employees involved in 'HR activity' (e.g., collection of staff data, timesheet approvals, answering staff questions, etc.)

13. Vendor stability – check the vendor's viability as a long-term supplier/service provider: How long have they been in business? How many clients do they have? Are they HR(MS) specialists? What references or testimonials can be provided?

This guide was written by Dave Foxall, HRMS World Columnist, with contributions from Kathryn Beeson, HRMS World Editor

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