

# WORKING WITH HRMS CONSULTANTS

## 5 STEPS TO SUCCESS

Your comprehensive resource for hiring and onboarding HRMS consultants

### GUIDE HIGHLIGHTS



Deciding if an HRMS consultant is right for you



Forecasting consultant costs and creating a budget



Working with HRMS consultants for best results



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## SHOULD YOU HIRE AN HRMS CONSULTANT?

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An HRMS consultant can make your life easier by taking care of complex or cumbersome tasks as well as being a skilled set of hands during a busy period.

However, an HRMS consultant can also cause negative impacts to your budget or business processes if they are not efficiently deployed. When is it a good idea to hire an HRMS consultant and when would you be better off without one?

Here are a few points to consider as you weigh up whether a consultant would be a useful addition to your HRMS project team.

### CONSULTANTS ARE SKILLED AT COMPLEX, OCCASIONAL PROCESSES

Some HR processes happen on an infrequent basis. Annual enrollment and government requirements like EEO or ACA reporting require a high level of detail and attention. An HR team who only performs these tasks once per year may need extra time and effort, or be unaware of updates to legislation.

An HRMS consultant who regularly does these processes for companies is on top of the regulations and can deliver results. An added benefit of using an HRMS consultant is that they may absorb the risk element as some contracts include coverage in if there is an audit or if something goes wrong with the reports.

### A CONSULTANT CAN PROVIDE IMPARTIAL INSIGHT

When you're facing a highly political situation like defining the future HR department structure after a merger, an HRMS consultant can remove the stress. A neutral and unbiased opinion is helpful in strategic system discussions. Your current HR staff sometimes view work through the local impact to their roles but an outside expert can analyze and present options without biases from company history or politics.

### HIRING A CONSULTANT CAN LEAVE YOUR OPERATIONAL STAFF IN THE DARK

An HRMS consultant can provide system recommendations and configure options based on their years of knowledge and experience. Sometimes there is a heavy reliance on their expertise, especially if you are short-staffed.

It is dangerous to allow a consultant to operate as a standalone expert without a plan to document and transition information. Cases are often seen where an HRMS consultant performs as a replacement for a permanent team member on a long-term basis which results in a loss of internal expertise. Keep a close eye on what tasks your consultant is doing and why they are doing them. A consultant's skills and expertise is helpful but it must be managed appropriately to get the best benefit from it.

## A CONSULTANT WILL IMPACT YOUR BOTTOM LINE

*"A great consultant will cost money to engage plus time for onboarding. This shouldn't be underestimated."*

An HRMS consultant can analyze your processes and recommend improvements that will save you money. A great consultant will cost money to engage plus time for onboarding. This shouldn't be underestimated.

A consultant's cost should be reviewed to be sure that you're getting the most advantages from what is often a costly line item on any budget. Define your work efforts so that your consultant is a cost benefit to your organization.



## DECIDE WHICH TYPE OF CONSULTANT YOU NEED

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Once you've made a decision to engage a consultant there are still choices to be made.

Should you select an HRMS generalist to cover all of your consulting needs? Would a vendor's own consultant be best? Should you try for technology neutral consultants on your HRMS selection and then transition to implementation experts?

When it comes to HRMS consultants, there are many options to consider. Here are the main types of HRMS consultant, what they do and how they could help you.

### HRMS GENERALIST CONSULTANTS

A generalist is a 'jack of all trades' who has years of experience and has seen and done it all. Some companies regularly engage the same generalist as projects are approved in the HR systems area.

A generalist might not know the intricate details of an application or all of the business requirements but their strength is in the big picture. A generalist sees the whole HR technology landscape and how employees, managers and HR will use the HRMS. Your generalist should also be an expert in your corporate culture so they can measure the change management impacts of any software decisions effectively.

*"A generalist is a 'jack of all trades' who has years of experience and has seen and done it all"*

### SELECTION CONSULTANTS

A selection consultant is an expert in HR processes and the HRMS on the market. They help you to finalize and prioritize your business requirements, and a strong selection consultant will know the details of many HRMS and will help you to winnow down your shortlist.

Engage your selection consultant through the software demo phase as they can ask the difficult questions to your prospective vendors. An effective selection consultant will help you to make the best choice of HRMS as the completion step of their engagement.

## IMPLEMENTATION CONSULTANTS

An implementation consultant can be brought in after the selection process has completed. Some third-party consulting companies specialize in implementation efforts so they've streamlined the process of collecting or extracting data and loading it into a new system. Implementation consultants are experts in only a handful of HRMS at most so they are well suited to configure your system.

In some cases you may find consultants who perform dual roles, focusing on both selection and implementation. It's fine to choose a multipurpose resource but be diligent that their recommendation is not weighted toward the software they know based on personal bias.



## CREATE A CONSULTANCY BUDGET

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Cost is always a consideration when you think about adding a consultant to a project. Can you afford to add a consultant to improve your chances of success? How will a consultant's cost impact the bottom line or will it make your project cost prohibitive?

It's important to ask yourself these questions if you want to get the most use out of a consultant - or risk operational slowdowns in your project as you argue over fees and payments. Being clear about money before onboarding a consultant safeguards against issues further down the line.

Here are some key areas to review as you look at projects, staffing and consultants.

### USE REALISTIC BASELINE VALUES IN YOUR ESTIMATES

A consultant can command market rates based on supply and demand. If you are government affiliated, consultant rates are consistently defined by various government entities and transparent - publicly traded companies can expect to pay [two to three times the hourly rate](#) of an internal resource. There is often room to negotiate if you can present favorable conditions like getting experience on a new HCM or offering flexible work options like telecommuting.

A major mistake where companies overrun in their project budgets is when they fail to allocate sufficient hours to a project task, or they underestimate a consultant's hourly rate. If you cannot get accurate past numbers add a 10% buffer for project overage.

### CONSIDER YOUR OPTIONS

Many companies have discovered new ways of engaging consulting talent which can allow you to maximize your budget and find the right person for the job. You might find the best HRMS consultant is local to your company and can come on site each day.

The use of remote freelancers who are paid a fixed fee for a set deliverable like designing a training manual or delivering a week of training is growing. The use of offshore and nearshore has expanded as the model has matured and companies have call centers and payroll processing hubs in low labor cost countries. We are seeing a move to more remote work especially as HCM vendors move their solutions to the cloud.

## FOCUS ON HOW YOU ARE SPENDING YOUR CONSULTING DOLLARS TO GET THE BEST RETURN ON INVESTMENT

Often companies budget a set amount for HRMS consultants and then lose out on later phases like testing, training and documentation due to overspend in earlier phases. It can be helpful to analyze where your HRMS consultant budget is allocated and to prioritize where you would benefit the most from a consultant's skills.

*"Some companies restrict their HRMS consultant to specific phases and deliverables to best suit their project needs"*

Some companies restrict their HRMS consultant to specific phases and deliverables to best suit their project needs. Due to economic constraints, companies are being more selective in where consultants are used and what value they are expected to bring to a project.

Once you've set a budget and decided how much you want to spend on your HRMS consultant, you can start looking around for potential candidates that meet both your budgetary and operational requirements.



## FIND AND HIRE A SUITABLE HRMS CONSULTANT

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Finding and hiring the right consultant can make the business and budget approval steps look easy. What is the best way to find the perfect resource? How can you identify the consultant who will check all the boxes and deliver results? What questions should you ask to ensure that you're making the right decision?

Here are some key tips from those who have successfully engaged consultants to give you a starting point on your journey.

### START WITH YOUR NETWORK OR TRUSTED CONTACTS

Do you remember the old 'friends and family' advertisements from the phone companies?

*"Written and word-of-mouth recommendations from satisfied customers are a strong indicator of future success"*

Written and word of mouth recommendations from satisfied customers are a strong indicator of future success, so it is wise to reach out to colleagues for personal recommendations. It is also helpful to get opinions of consultants to avoid when you gather feedback.

After getting options from your immediate circle it is recommended to ask in your professional organizations for referrals. If you have a solid working relationship with a third-party recruiter this is another avenue, especially for specialist consulting skills. An effective recruiter is seeking to build a long-term business connection so will strive to find the perfect match for you.

### USE BEHAVIORAL INTERVIEW TECHNIQUES TO NARROW YOUR SELECTION LIST

Some consultants are niche specialists in a handful of topics while others are more broadly focused. Both approaches are valid, but one might be more suited to your company than the other. If you're implementing job standardization or global grading you want an expert on your side who has seen all the problems and pitfalls.

Ask your consultant to describe how their experience will help you to succeed. Use actual examples and problems during your interview process to get clarity on what expertise a consultant can offer.

## CONSIDER YOUR PAST TALENT AND CONNECTIONS

Sometimes your best options are ones that are known to you.

Prior employees who have retired or left for another company can add a lot of value as they understand your HR landscape and can provide insight from other experiences. Consultants who have successfully delivered other projects at your company may be a perfect match for an upcoming project.

Even if someone has not previously done something their tribal knowledge about your company and how to get things done can be more relevant. Always ask for feedback from your current team prior to bringing back a past consultant or employee. The buy-in from the group will be crucial as you build out your project team.

## FURTHER STEPS

At this point you're most of the way there. You've decided you need a consultant and have the resources to hire one, and you've found a promising candidate to work with. It's tempting at this point to take the to take a 'let the consultant get on with it' attitude - they know what they're doing, after all.

**Don't do this.** To maximize what you're getting from this investment you'll need to integrate your consultant with the rest of your project team and give them a clear picture of what their responsibilities are within the scope of the project. We outline how to do this below.



## ONBOARD YOUR HRMS CONSULTANT

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Once you've made the decision to engage a consultant and chosen the right resource the final task is to set expectations of how they will fit into your team. How will you identify responsibilities to get the best return on your investment? How much managerial oversight is needed? Should you be directing a consultant differently than the rest of your team?

Here are some top areas where you should set guidelines to align everyone's requirements and expectations.

### ESTABLISH THE RULES FOR LOGISTICS AND ADMINISTRATION

Many consultants prefer to work a condensed week, especially if travel is involved. If you operate in a traditional office presence you'll need to set expectations during the interview stage if you want a consultant on-site five days per week. If you have a remote or virtual environment a consultant needs to fit into your working style.

*"If you operate in a traditional office presence you'll need to set expectations during the interview stage"*

It's a best practice to add accountability for hours worked and billed so request a weekly status report if not already supplied. A status report should not be cumbersome to do but should log the basics about hours worked, items completed and upcoming tasks for next week.

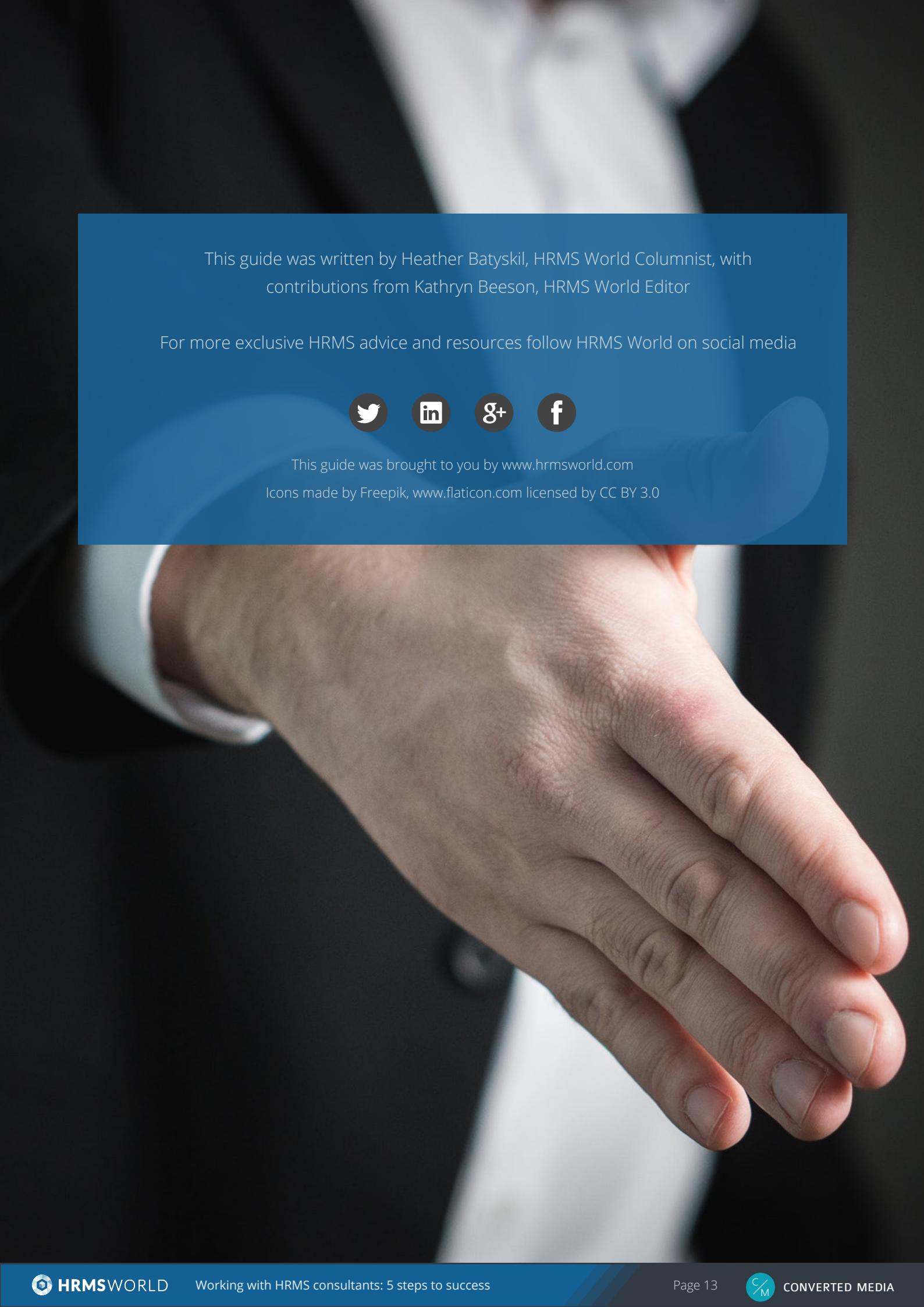
### ENCOURAGE TEAMWORK

A great consultant should be seen as a fully participating member of your team. A consultant should seek to integrate themselves in order to be an effective partner. A benefit of supporting team cohesion is that knowledge sharing and transfer happens more easily and on a regular basis. Set the expectations early of where you want your team involved in your consultant's tasks. In some cases you'll want your internal staff and your consultant to be working closely together to be sure that your team can take over easily when your consultant rolls off your project.

## DEFINE THE TASK LIST AND DELIVERABLES

Clear expectations will help to guide your project to success. A consultant should know what they are responsible for and when it is expected. It can be easy to give a consultant ad hoc tasks as they are an extra set of skilled hands but you need to be careful to not use them as backfill staff.

A consultant should need less supervision and guidance than the rest of your team. Managing a consultant should be a minimal task if clear guidance for project outcomes has been agreed to up front. In some cases I've seen seasoned consultants who are able to step into your shoes and provide hands-on management to other team members saving you time and effort.



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