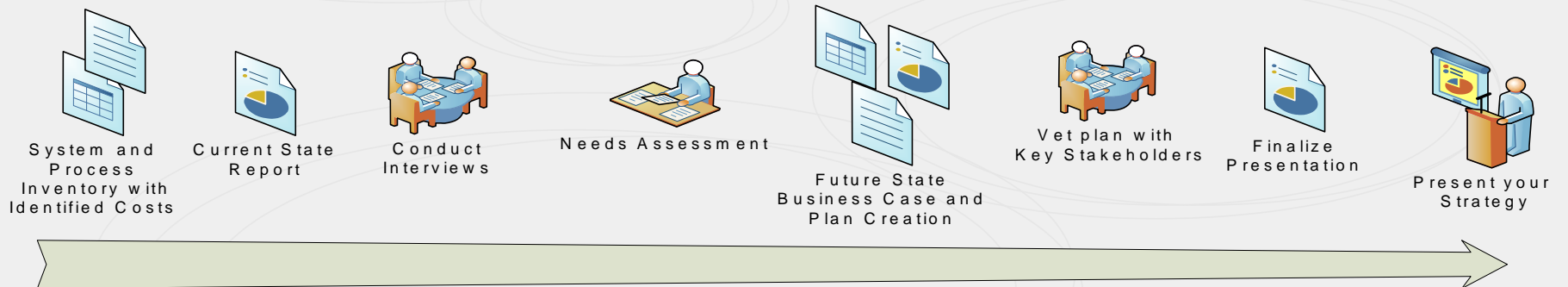


# An Introduction to Creating an HR Technology Strategy

Presented by Jacqueline Kuhn  
President & Founder  
Kuhn Consulting Group, LLC



# HR Technology Strategy The Methodology



This methodology is based on a process driven approach to understanding the business needs

# Step 1.

## Create System and Process Inventory



- Objective
  - Catalog each HR Process and the technology, or lack there of, that supports it.
  - Identify process owners, users and key stakeholders
  - Find those “shadow databases” ; those MS Access and MS Excel supported processes.
  - Find redundancies
  - Get a true picture of how technology is used in HR and related support functions



# System and Process Inventory Example\*

Process	Owner	Stakeholders (if blank, owner is the only stakeholder)	App	Third Party/ASP	Manual or Automated Interface	HR Data Entry	Manager Direct Access	Employee Direct Access	Frequency	Volume	Workflow Enabled
<b>Sourcing and Selecting Candidates</b>											
Posting Jobs	<b>Recruitment</b>	All hiring managers and employees	Taleo		Manual	Y	N	N	Daily	2 - 5	N
Sourcing of candidates											
Collection of Applications/Resumes											
Assessment testing	<b>OD</b>	HR	Taleo	AON	None			Y	Weekly	1 - 3	Y
Interview Scheduling	<b>Recruitment</b>	All hiring managers and employees and applicants									
Extention of offer	<b>Compensation</b>	HR, all hiring managers, employees and applicants									
Candidate notification of acceptance/rejection	<b>Recruitment</b>										



\* This example is of the inventory tool available in the Kuhn HR Technology Strategy Tool Kit.

## Step 2.

# Collect Current system and process costs



- Objective
  - Gather all costs associated with your current systems and processes.
  - Identify both business and IT expense
  - Understand the capitalization of existing software applications and the underlying hardware to have a clear picture of the total cost of ownership of your applications
  - Quantify time spent in workarounds or manual events based on your process inventory



# Business Case Builder Process Costs Example\*

HRMS Cost Collection Template				Today's Cost		Cost with New System	
Functional Area	Cost Element description	Time in Hours per year	# people Involved	\$\$ Per Year	Time in Hours per year	# people Involved	\$\$ Per Year
<b>HR Systems</b>	Average Hourly Rate						
	Manual Reporting Support						
	Weekly Reporting Support						
	Manual Monthly Reporting Support						
	Manual Quarterly Reporting Support						
	Manual On request Reporting Support						
	Table Maintenance						
	Processes that are run Daily						
	Process that are run Bi-Weekly						
	Processes that are run Monthly						
	Processes that are run weekly						
	Security Table Maintenance; Updating security roles and access.						
	Managing interface process to Payroll						
	Perform end user support						
	Interfaces to other in-house systems or third party vendors eg. Benefits provider.						
<b>Total People Costs HR Systems</b>							



\* This example is of the business case builder available in the Kuhn HR Technology Strategy Tool Kit.

# Business Case Builder

## Application Costs Example

Costs	Current		Future			Difference	
	Annual	Total Remaining on Contract	Year 1	Annual	Total Contract Value	Annual	Total Cost
<b>Software Fees or Licenses</b>							
Core HRMS							
Recruitment							
Benefits							
Performance Management							
Learning Management							
Compensation							
Succession Planning							
Reporting Software							
Third-Party Software							
Other Software							
Maintenance and Support							
Manager Direct Access							
Employee Direct Access							
<b>Total Software Costs</b>	0	0	0	0	0	0	0
<b>Hardware (Specialized needed for software)</b>							
Servers							
PC Stations							
Kiosks							
Other							
<b>Total Hardware Costs</b>	0	0	0	0	0	0	0



\* This example is of the business case builder available in the Kuhn HR Technology Strategy Tool Kit.

# Step 3.

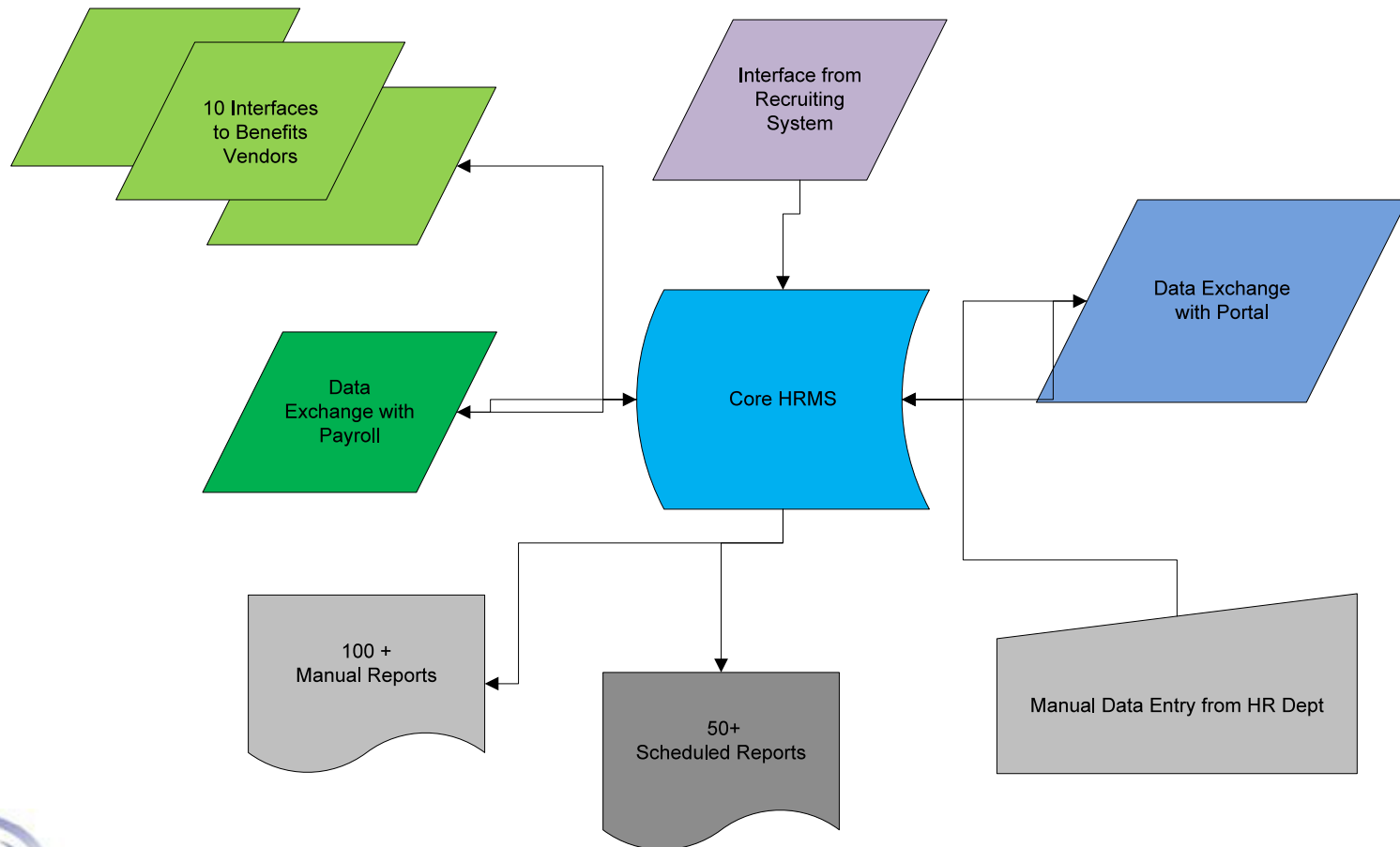
## Create Current State Report



- Objective
  - Document in a “picture” the current state of your HR Technology.
  - Visual understanding of the components, relationships and dependencies
  - Representation of the “before” of your HR Technology Strategy
  - Identify areas of opportunity
  - Determine what additional information will be gathered during the interviews



# Sample of a Current State Technology Diagram



## Step 4. Conduct Interviews



- Objective
  - Understand the HR and business strategies
  - To understand the objectives of your business partners
  - To learn about the initiatives that require HR and HR Technology Support
  - To get an assessment of what is working today and what needs to be fixed or replaced.
- Audience
  - Process owners
  - Stakeholders including executive leaders
  - Users
  - IT



# Interview Guide

## Sample Questions

- Process owners
  - What type and how many resources are used to support the process
  - What business initiatives does this process support
  - Are there any planned new business initiatives that will impact this process in the next 24 months
  - What works well, needs improvements, needs complete change
- Stakeholders
  - How are you impacted by this process
  - Does this process support any of your key business objectives
  - Evaluation of how the process is working



# Interview Guide

## Sample Questions

- Users
  - How often the process used
  - Have you had training on how to execute the process
  - Evaluation of how the process is working
- IT
  - How many people support this system:
  - Is the system (hardware and software) on a current release:
  - What is the release strategy for this system (hardware and software):
  - Are there any IT initiatives that will impact this application in the next 24 months:



Interview guides are included in the Kuhn HR Technology Strategy Tool Kit. for all 4 stakeholder groups.

# Step 5.

## Assess your business needs



- Objective
  - Synthesize the information from the Interviews to understand what are the critical business needs
  - Look at your application and process inventory and assess their ability to meet your critical business needs
  - Make some determinations on what to Keep, Cut and introduce in order to support your most critical business needs
  - Determine your decision drivers
    - Criteria beyond functionality
    - Those that would eliminate a vendor from consideration
    - Those that are going to be used for evaluation



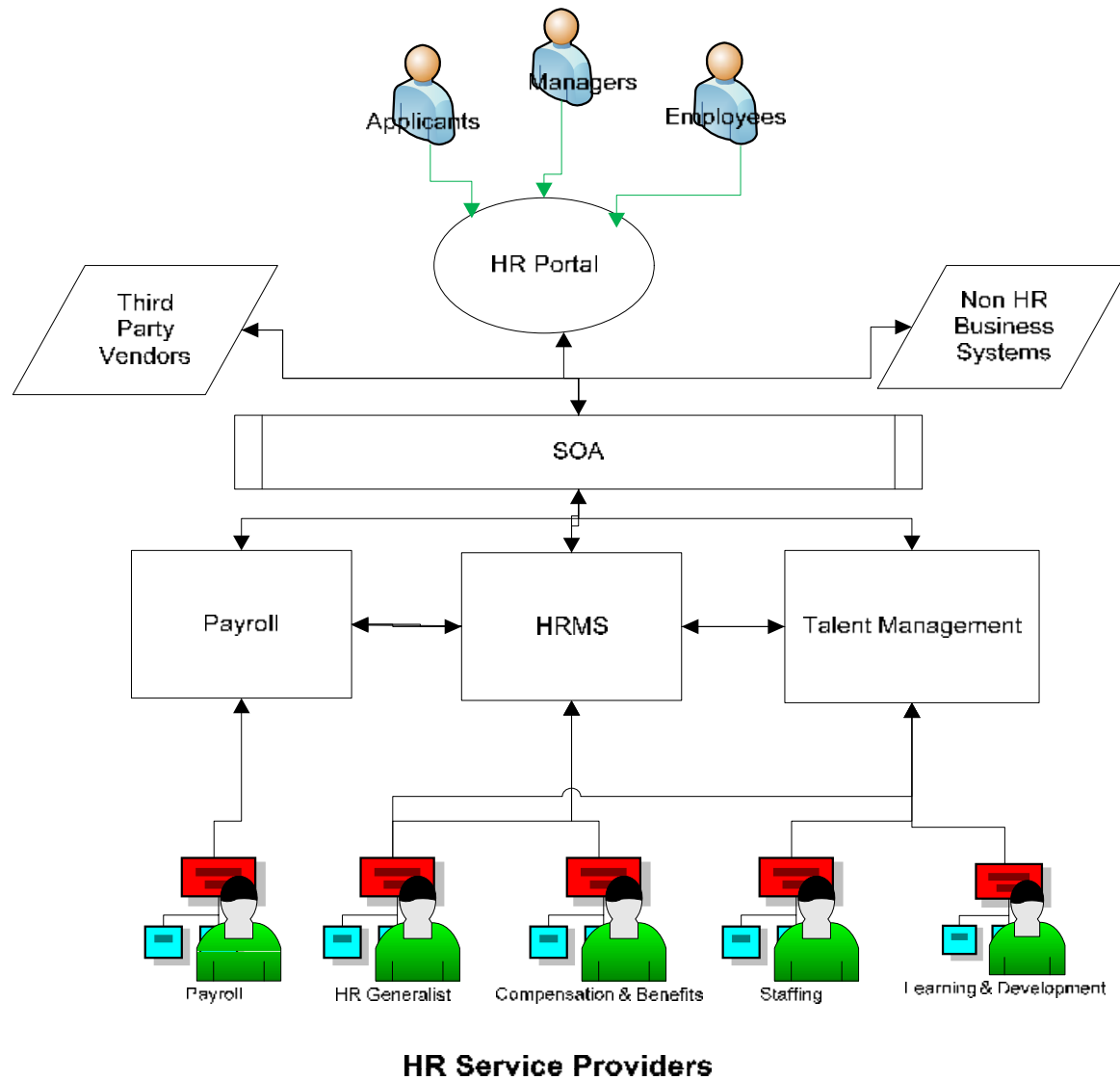
## Step 6. Create Future State



- Objective
  - Document in a “picture” the future state of your HR Technology.
  - Visual understanding of the components, relationships and dependencies
  - Representation of the “after” of your HR Technology Strategy
  - Includes the customers that will use the systems
  - May also want to include a future state process model
- Other things to include
  - Options analysis
  - Risk Assessment
  - Process impacts



# Sample 1 HR Technology Diagram



## Step 7

# Create Future State Business Case



- Objective
  - Quantify the costs that will be incurred with the new technology model
  - Quantify the savings that will be incurred with the new technology model
  - Meet with your Finance team to make sure you are using the cost and amortization methods they prefer.
  - Tie the new technology model to the business needs of the organization
  - To be used as input for the technology strategy plan when looking at prioritization of initiatives



# Step 8

## Create Future State Plan



- Objective
  - Create milestone based plan to implement the future state technology model.
  - Have a roadmap that shows what changes in the technology offerings are going to happen and show incremental improvement based on business needs
  - Tie the plan to the business case so that you are achieving your savings along the way and not waiting until the end of your plan



## Step 9

# Vet Future State Plan with Key Stakeholders



- Objective
  - Review your future state model, business case and plan with those stakeholders that were interviewed in Step 4
  - Review that the needs that were expressed are represented appropriately in the plan.
  - Make sure cost savings you believe are possible are “signed up for” by stakeholders.
  - Get buy in from people who can help you sell your plan to Sr. Executives.



# Step 10

## Revise Plans and Create Presentation



- Objective
  - Create the final HR Technology Strategy presentation based on the feed back received from key stakeholders
  - If revisions were made to business case, review this with Finance.
  - Prepare for the presentation to the SR Executives
  - Gather any information that was missing earlier and make sure your business case is sound



# Step 11

## Present your Strategy



Present your  
Strategy

- Objective
  - To sell to the decision makers your plan for the future of HR Technology.
  - Most of the audience should have seen your drafts by this time, thus there should be no “surprises”
  - Get a commitment for the next steps to begin phase 1 of your strategy.



A strategic plan presentation template is included in the Kuhn HR Technology Strategy Tool Kit.

# Post Strategy Development

- Execution on the plan
  - Create project teams
  - Regular reports to sponsors and management on strategy
- Strategy Governance
  - Use the strategy in every day decision making
  - Review the strategy minimally every year



# Kuhn Consulting Group

## Essential Tools for Building HR Strategy

For 25 years, HR professionals in companies of all sizes have counted on Kuhn. Let us help you too.

The Kuhn HR Technology Strategy Tool Kit is available for purchase with or without additional consulting services.

Contact us today to arrange a free Kuhn consultation.

[Jkuhn@kuhnconsultinggroup.com](mailto:Jkuhn@kuhnconsultinggroup.com)

1 847-269-8342

