



2023

# Buying HR Technology

Insights Report

By:  
Sarah White, CEO, Head of Research

Sponsors:



# TABLE OF CONTENTS

<b>Introduction</b>	<b>3</b>
<b>Part 1: Who is Buying</b>	<b>4</b>
<b>Part 2: How They're Buying</b>	<b>5</b>
Three (common) Mis-Aligned Factors of Decision Making	7
<b>Part 3: A Better Way to Buy HR Technology</b>	<b>9</b>
Step 1: Planning & Building the Business Case	10
Step 2: Evaluating & Selecting the Solution Partner	13
Step 3: Implementing the Solution & Digital Transformation Considerations	20
<b>Part 4: Measuring Success</b>	<b>26</b>
<b>To RFP or Not to RFP</b>	<b>27</b>
<b>Conclusion</b>	<b>29</b>
<b>Sponsors</b>	<b>31</b>
<b>Footnotes</b>	<b>32</b>



# INTRODUCTION:

**Everyone tells HR what solutions to buy, but few help HR understand how to buy.**

Buying HR technology requires far more than a few demos and a signed contract to be successful. From full suite global rollouts to single site point solutions, buying human resource technology with the intention for adoption is key to long-term success and seeing the full value. With fast-changing tech stacks, the faster-changing company demands, and less time than ever, really understanding how to do that is challenging.

Determining need, vendor selection, proving ROI for budget approval, implementation, adoption, and change management are all parts of a successful decision-making process that must take place on top of an already-full list of responsibilities. Yet, nearly 65% of companies surveyed in our Insights at Work Research<sup>1</sup> said they would replace their current HR Technology solutions if they could. And in many segments of hr technology - many of them are doing just that - with the highest movement happening in talent management and employee experience.

Who is buying, how they're buying, and the challenges of buying can seem daunting, but with some insights into each of these topics, you can prepare for a successful process. We will share some data, lessons learned, and practical guidance to help you through the buying HR technology journey.

# PART 1: WHO IS BUYING



Each year we look at trends and issues worldwide and how they impact the business, the employees, and the technology used (Insights at Work Survey). In 2022 we also dove into 57 categories of HR technology to better understand where the market is headed - and why. We found that a significant number of companies (more than half) are actively shopping to either replace a solution they already own with a new software provider or are adding the technology for the first time.

The decision influencers, managers, and final signers also come from multiple areas of the company. While recruiting and human resource teams would be expected to lead the way in these purchases, numerous other roles reported being involved in this process. While other departments participating at smaller organizations would be expected, we saw IT, Customer Success, Operations, and non-HR C-Suite as part of the decision-making process event at the enterprise level (these are companies with over 10,000 employees).

**There isn't a type of company that stands out as leading the charge - companies of all sizes, with all kinds of employees, across all industries, are making significant technology changes.**

While most are around point solutions or platforms that cover a broad segment (talent acquisition, employee experience, etc.), others are doing full HCM Core and payroll replacements.

The reasons for the changes are also not following any specific trend - larger digital transformation projects, as well as reducing costs and overhead, were expected common factors, but many of the categories with the most movement focus on better employee experiences. Companies are focused on better retaining their workforce and connecting the dots to pay, mobility, equity, and hiring the right people from the beginning.





## PART 2 HOW THEY'RE BUYING

From studying buyers, sellers, and adoption rates over the last two decades, one thing has been clear - companies need to improve at buying HR or Recruiting software.

To be fair, it isn't their fault.

Years ago many experts pushed a pretty ineffective process as "the" way to buy software:

- Send out an RFP (Request for Proposal) that eliminates any ability for actual differentiation or product features - or worse, was written by your competitor or someone that worked closely with them and rigged the RFP's to favor a certain technology
- Ignore companies that don't respond because they weren't even allowed to clarify questions or understand the need
- Force vendors to do a scripted demo that is based on outdated ideas of what technology can do and not actual business process need or improvement
- Bring together a large number of people - many of which are not even users of the technology to check the boxes on things we already know they can do without regard to how easy it is to do, and submit a score that is rigged to the RFP.
- Use that ill-advised score to cut most of the vendors off the table
- Negotiate prices with those left and buy the cheapest.

They all have about the same score, right?

How much difference can there be?

**Buying  
technology  
to help us hire,  
manage,  
engage and  
support a  
workforce is  
hard.**

This approach is highly ineffective and misses the complexity and importance of user adoption in our people technology. When solutions were limited to a few super-users or admins in the late 1900s, it was not as big of an issue - people would learn to work around it. By the early 2000s, this flawed approach became increasingly apparent as a much larger group was using the technology.

**But many companies didn't stop using it, and many experts didn't stop recommending it.**

In other cases, especially with point solutions, a company would hear about a product at a conference or online - assume it would solve the problem, and just buy it. We saw Fortune 100 companies purchase the same product from multiple vendors because the users were not part of the decision-making process, or the other tools never made it to the implementation or adoption stage before purchasing the next one.

## Three (Common) Mis-Aligned Factors of Decision Making

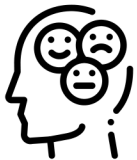
A driving factor in this challenge is, too often, companies address the “what” but miss the “why” entirely, which results in buying decisions made analytically, emotionally, or historically - none of which alone leads us to the right solution.



### Analytical

When we buy analytically, we focus on the numbers. This approach is the standard argument for the RFP process, and theoretically, it seems logical. In reality, it often focuses on measuring things that can be easily measured and don't matter, like how many customers a vendor has, how much they made in sales last year, how many boxes they can tick off the sheet, etc. None of these factors provides meaningful answers for the users' daily challenges. Users are not interested in how much money a company made last year if the product doesn't work for them today or if a product can technically do something, but it will take 10x longer than it currently takes to achieve it.

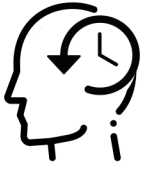
When we choose the analytical path, we can feel confident that we made the right decision - something that triggers a chemical reaction in our brain because we have PROOF<sup>2</sup> - a number from our spreadsheets.



### Emotional

Those who buy emotionally consider how they feel about the product and presenters. Is it something that comes with esteem? Are they market leaders who will give you access to speaking events or self-promotion? Are they new, cutting-edge technology that will make you "ahead" of everyone else? Do they send you gifts and goodies? Have they made you feel more special than any other vendor you have talked to? While it may seem silly for such large purchases - sales reps who respond quickly and simplify the process are more likely to have their product rate higher with a buyer, even in an analytical assessment.

We have seen substantial purchases hinge on pizza orders sent to the team, a free trip to a user conference, or pre-negotiated speaking engagements for the final decision-maker to sway one way or the other.



## Historical

Some buyers base their assessment on historical information about the vendor's reputation. They will choose a familiar product over a new one, even if it does not meet their needs, simply because it is known. Along these same lines, we often give more credence to a product when referred by a colleague or friend. Buyers with this approach gravitate toward popular companies or partners they've used in the past - not solutions that will have the most significant impact or even solve our needs. Previous experience with a company may prove helpful, but verify any assumptions made with recent data.

## A43 Analyst Insight:

76% of employees indicated that technology greatly impacts their work<sup>3</sup>. Still, less than half of that same group felt that their leaders implemented solutions that improved their quality of work—indicating a gap between the systems that employees need and the strategies that are made available.

# PART 3

## A BETTER WAY TO BUY

### HR TECHNOLOGY



Why we buy HR Technology has changed.

Historically, it was used to support the recruiting and human resource teams' needs and streamline or automate processes. Then we bought it to provide additional reporting functionality and a better understanding of those processes. Today's solutions are doing both while supporting the individual employee in a more personalized way and aligning all of it to support strategic business initiatives.

#### Understanding the “why” is how we buy successfully.

Our team has assessed thousands of buying processes - from point solutions to global full-suite rollouts at companies of all sizes and industries. We combined our experience with conversations we had with leaders from some of the top digital transformation firms in the HR Tech space and practitioners that have gone through this process - with failure and success. We found incredible consistency between all of the success stories and even more with the failures. While more than 80% of companies have undertaken digital transformation initiatives in the last five years, only 16% say these have successfully improved performance and equipped them to sustain changes in the long term<sup>4</sup>.

We have identified three key steps when buying HR technology: Planning & Building a Business Case, Evaluating & Selecting the Solution, and Implementation & Digital Transformation. All stages are essential to the success of the process regardless of company size, industry, or type of technology being assessed.

Under each step are several factors to consider and dive into. These more specific factors create long-term success and adoption with a technology purchase.

## Step 1: Planning & Building the Business Case

Planning and building the business case is the most overlooked part of most buying processes. It is about more than simply building an ROI or business case and helps you understand the "why" of your decision.

This initial "why" will help you sell the project internally and build a business case and provide you with a north star to stay focused on as you move through the process. As product evaluations get overwhelming, questions come up during implementation, and you start to roll this out to your workforce, this guiding focus will make the rest of the decisions much more straightforward.

The planning stage has three main components: Identifying Business Needs, Being Clear on what Success Looks Like, and Understanding the Business Impact and ROI.

### Identifying Business Needs

During this initial information-gathering step, the goal isn't to focus on the technology or what you want out of the technology but rather ensure you understand the outcome you want. Look beyond your current process or technology limitations to your ideal state if you could create a "dream" scenario. Are you looking to simplify your payroll and get your employees same-day pay access? Do you want to improve your employees' mental wellness and retention? Is having better insights into your total workforce for your executive team needed?

Include people from other departments in this step simply by having conversations with them. It can, but doesn't have to, be a simple process. We often see employees, department leaders, executives, and other stakeholders in the process for work technology. We do not typically see IT at this stage because we are not focusing on the tech but rather on the problem being solved.

**This step is  
simply  
understanding  
what problem  
or goal you are  
trying to solve,  
not how the  
technology  
does it.**



## Understanding Business Impact and ROI

With a clear understanding of the business goals you are aligning to and the outcomes that will be a measure for success, you can shift your focus to understanding the business impact and return on investment (ROI) of solving for that need.

Many organizations need this level of data to get budget approval to move forward in the process, but it is often done at the end after they have found what they want to buy.

At this stage, it is less about the cost of the technology you are considering and more related to how solving the identified needs will benefit your company. Sometimes that is a clear savings of time (overhead) or money. Often, it is assessed with a bit broader understanding of the impact.

Some common areas to think about when looking at the business impact of HR Initiatives:

- Hiring - Will this make us an employer of choice, give us a differentiator, or help improve the hiring process, so people want to be part of our organization? Does it improve the candidate experience leading up to hiring?

- Engagement - Engaged employees impact productivity scores, customer satisfaction ratings, and patient outcomes at healthcare facilities have less turnover
- DEIB (Diversity, Equity, Inclusion, Belonging) - How does this impact our current workforce to support our DEIB initiatives or a broader definition of unique backgrounds within our organizations? This impacts our organizations' hiring, retention, engagement, productivity, and innovation.
- Retention - Does this help us retain talent, reduce overhead, save on hiring costs, improve employee satisfaction, etc.?
- Decision Making - Does this enable our teams to make more informed decisions to be more strategic around their talent?
- Time - Will solving for this goal reduce time spent on tasks that can be automated?

As you go through the evaluation and selection process, you will likely find several ROI factors you should have considered. You can amend this list later, but it will help ensure you are clear about what you are looking for.

**As you evaluate  
different tools and  
learn more about them,  
ask vendors for clear  
specific examples of  
the solution's ROI.**

**Nearly every vendor  
has these on hand  
and ready to share -  
don't be afraid to ask.**

## Step 2: Evaluating & Selecting the Solution Partner

The second step is evaluating and selecting the technology or partner. This step often is viewed as "the" step. While it is a vital part of the process, without clear goals, thoughtful implementation, or strategic change management - successful adoption rarely occurs off this step alone. A good product can fail in the wrong company.

Deciding the 'who' for the "why" is about much more than the feature set offered. There are three main sections in the evaluation stage: Building a Shortlist, Product Demos, Integrations, and Culture Alignment.

### Building a Shortlist

Once you determine your business needs and success criteria and are ready to investigate products, you need to develop a shortlist of companies to start looking at. More than 27,000 solution providers are selling services and technologies for HR and work tech today. This step helps you identify the right group to spend time with and evaluate further.

This market has three types of tools: Full Suites, Category Suite, and Best-in-Breed technology. It is not unusual to include products from each of these, depending on the solution you are considering. As part of this process, you must understand the difference between those.

#### Full Suite



A full suite is typically a grouping of technology that includes your core HRIS, payroll, and several other hiring and human resource-related modules. These systems are challenging to change, and most companies stay with their partner for extended periods. Some of these products include ERP and Financials, but most do not. These products are available from the smallest company with just one W-2 employee to the largest global organizations. They will typically be the hub of all of your integrations, and for most companies, everything else they buy will need to be able to work with these tools. These products typically started as payroll and Core HRIS first and have expanded.



### Category Suite

Category suites are technology solutions that have many products bundled together and designed to work strategically. You often see these in workforce management, talent acquisition, and talent management. We are also seeing an emergence of suites in the employee experience and wellness categories for 2023. Most of these products partner well with Core/Payroll tech and have a much deeper specialization in the area of the suite.



### Best-in-Breed

Best-in-breed tools are typically a single product or a smaller grouping of commonly combined solutions. This group may include onboarding, applicant tracking performance management, compliance, etc. Most of the products in this category eventually mature into a category suite or are acquired by a full or category suite to expand their offer. That doesn't mean you should not consider them; they often are where the most innovation and advanced specialization exists.

## Analyst Note:

**When creating your initial list, you should look at all three options one isn't always better than the others.**

What product do you currently have in your tech stack that may be able to solve your issue if you added a module or changed some of the features (add all of those)? Ask for a "sales" demo with a "sales solution consultant/engineer" - it is common for companies to overlook the tools they have because the product doesn't have features turned on, or they assume they know what the latest looks like.

1

Look at what technologies are available as partners or in the "ecosystem" of your existing vendors. This approach often means some level of integration between the tools already available.

2

Find the best in class and stand-alone solutions that fill the gap you need to solve. Google, use social media, ask your network, and read thought leadership vendors are creating or sponsoring.

3

This initial list will likely be 10-25 companies. Take some time to look at their websites and understand how they talk about their products, solutions, and service levels. See if there are business cases, videos, or other insights to help get to know them better.

**If you are working with an external partner, they will do a lot of this stage, but it helps to have a strong understanding for yourself so you know why they made decisions they did and can suggest someone of interest they may have missed.**

## Product Demos

Product demonstrations or "demos" are where you are talking with the sales team and seeing what the product does and how it works. This point is the key part of the process, as adoption will fail, no matter how great you do the rest, if the product has significant feature gaps or is challenging for your team to use.

There are a few steps during product demos. Each of these steps helps the vendor better understand your needs (why Step 1 is so important) so they can show you what matters in the time you have together.



**Discovery Call** - This is where the sales team has conversations about your goals, what you are looking for, challenges with your current system, etc. They will also need to know about your company size, industry, type of employees, if you are growing, etc. These questions have a purpose and are not simply to fish for information but to ensure they help you fully understand how their technology supports your business. Be transparent (with an MND in place) to have the best outcome.



**Product Demo** - Often, you will have a first demo that runs 30-45 minutes, plus time for Q&A. If you are looking at a full suite or multiple products, this may be 90-120 minutes. This first demo should give you a good understanding of the product and company. Look for things like ease of use, integration with existing products, reporting capabilities, cost, implementation timeline, client support processes, and other factors deemed important by your selection team.



**Pricing Request** - If you were interested in what you saw, request a pricing proposal and plan for a next-level demo, depending on the product.



**Deep-Dive Demo** - Many companies will shortlist and narrow down to their top 2-3 products and do a second demo to have a broader audience see it or get additional questions answered.



When evaluating the technology, remember to consider it from the perspective of everyone it will impact, not just the recruiting or human resource teams. While it is natural to think about how managers may use it, accounting or executives pay special attention to how it impacts employees. The employee experience should not complicate their day-to-day job; it should simplify and target what matters to them. Usability matters to buyers of all types and sizes of companies with all kinds of employees - 95% of respondents to our 2022 Insights research cited usability as a top selection criterion for HR technology.

Evaluating usability from an employee perspective doesn't have to be a challenge. Any employee-facing technology should be as easy as downloading and using an app on a mobile device - simple and straightforward with little to no training. Part of the user experience means offering at least some level of personalization. Personalized technology is already driving consumer experience on sites like Netflix and Amazon, where content is delivered based on what it knows about the user. Organizations can personalize HR technology for employees by providing content specific to who they are, what they do at work, and how they need to use the product. One of the difficulties with HR software in recent years is the tendency to confuse standardization with personalization. Having consistent, secure, and equitable processes for every aspect of HR is necessary - the important goal of standardization - but it's insufficient. Products should gather and respond to information within the system specific to the organization and the user.

95%

**of workers cite usability  
as the top selection  
criterion for HR  
technology<sup>5</sup>**

## **Analyst Note:**

**If you are looking at newer innovations or technology you are less familiar with, you may choose to reach out and talk to all or most of the companies from your initial shortlist. Be clear you are in the exploratory phase and looking for a high-level demo of what is unique or interesting about their solution.**

**This point isn't the time for a large-group demo or deep dives.**

## Integrations

Integrations were the number one frustration of HR Technology users in 2022. With so many systems in place now, understanding how they can work together - and then actually making it happen- can considerably affect the effectiveness and adoption rate (good or bad).

A solid understanding of the types of integrations can be helpful when moving into the implementation and change management stage.

Integrations can be file-based batched or public application programming interfaces (APIs). File-based batched integrations involve sending a file from one system to another, processing that file, and then making relevant updates. API integrations allow the systems to talk directly to each other and make real-time changes back and forth. Some solutions support only one type of integration, while others allow for both.

Beyond how the data is shared is how tightly the integration works. As you look at the ecosystems from the shortlist-building process, you will find various ways this happens for the end user. Some of the products are more like "partners," where the information automatically shows in the other solutions; the end user doesn't have to log into both products to access the benefits. In other cases, the integration allows you to jump from one to the other seamlessly within the product, giving you a chance to have the data bi-directionally flow for reporting and process updates or just share certain information to update employee records as needed.

You don't need the most advanced integration for every situation; sometimes, the data update and sharing are more than enough for the integrated system.

**Integrations are the**

**#1**

**frustration of HR  
technology users<sup>6</sup>**

## Vendor Culture Alignment

When starting conversations with vendors and doing product demos, remember that this is the beginning of a long-term relationship. Just like you interview new employees to ensure they will positively impact your business, your technology partners should do the same.

After you have made your initial list, make sure you start looking into their company culture.

You can look into this on:

- **Their website** - Many companies highlight their benefits, employee stories, and open jobs on the website's career section.
- **Glassdoor and Other Employee Rating sites** - How do their employees rate them? What do they have to say about working there? Look at not only the current scores but how they are trending.
- **Best Places to Work lists** - There are various ones, such as Great Places to Work, Fortune, Forbes, etc. These are often run by third-party vetting, require a certain percentage of employees to respond, and can give insight.
- **References, Referrals** - Ask not only about the product but about consistency with account managers, access to support, and involvement with their customers
- **Events** - Meet with the team at an event. See how they interact in the booth, at the after-hours events, and in any sessions they present.

In our 2022 Insights at Work research, vendor service levels were the second biggest frustration with technology across companies of all industries and sizes. The disappointment with service levels starts with the implementation of the product and carries through customer success and how support addresses ongoing product challenges. We find a high correlation between companies with a positive culture and employee satisfaction and the happiness of their customers. And companies with high turnover can present challenges for you in service and support.

**Vendor Service Levels  
are the**

**#2**

**frustration of HR  
technology users**

## Step 3: Implementing the Solution & Digital Transformation

More product failures, frustrations, and replacements happen due to poor implementations than anything else. Sometimes they are technical failures in the implementation design, but more often, they are process and strategy failures designed into the system.

This final step is vital for the adoption and successful ROI of the technology you buy. This step includes choosing external partners, implementing the technology, and digital transformation/change management.

### Choosing External Partners

At this stage, there are three groups of partners you should be considering if you haven't already earlier in the process: selection support, implementation/system integration, and digital transformation. While some companies support companies and do both, most organizations seek to find specific expertise from the partners vs. the stage of maturity and complexity they have as an organization. It would be typical for those two groups to work together to support your company.

When choosing an external partner, like with the technology, you want to ensure they are a culture fit for your company and provide personalization to your specific situation. A one-size-fits-all solution is not ideal with talent or HR initiatives.

More importantly, ensure your digital transformation team understands the human resources or recruiting initiatives that are your focus. They will be able to best support you with process changes and thinking through best practices related to how you use the product. It is essential to ask how experienced the company is and the specific people that will be working with you. That will make a difference in your experience and frustration levels.

Some external partners you may experience along the buying process:



### **Selection Support**

The Selection Support Team serves as guides through the first few steps of the selection process, heavily focused on step 2. Often they can continue as your change management/digital transformation partner - others specialize only in this one step. Ask how and if they receive any compensation directly or indirectly from vendors or technologies - for any purpose, not just referrals.



### **System Implementation/Integrators**

This group serves as the company's and vendor's liaisons. Many vendors have preferred implementation/integrator partners based on previous projects or specialized training. Implementation can be one of the most challenging stages of digital transformation, so these partners must know the product well and explain it in terms the company can understand. Implementation teams are typically more focused on a single product; SI teams often look at several technologies or systems, many of which may launch at once. They are very similar in their role, and some companies use the terminology interchangeably.



### **Change Management/Digital Transformation Consultants**

The Change Management Team, also known as Digital Transformation Consultants, focus their efforts on the adoption aspect of the process. This team's goal is to ensure the product is ready to go live in a way that will meet the business drivers from Step 1 and achieve high adoption. The use of these teams can increase employee buy-in by 50%<sup>7</sup>. Successful buy-in leads to increased productivity, performance, engagement, and ROI.



## Implementation

Companies should know the actual time, the number of resources, and expectations around implementation in the buying process. Not all "activation fees," "implementation costs," or "start-up" fees are created equal - some are white glove services and hold your hand through the entire process. In contrast, others provide DIY videos and expect you to partner with a third-party implementor to get the product live.

Be realistic and honest internally about how much help you need and how much time your team has to do this right. What looks like a "deal" may cost you significantly more time and headaches. We regularly talk to CHROs who are frustrated with their technology only to find out they opted out of integration support and left the process up to someone that was already overworked and had no experience.

Part of this step is understanding the critical implementation stakeholders' needs and wants and ensuring proper representation for each as part of this process. Most companies have some point person for the implementation with a team that provides feedback and support from the various stakeholder needs.

Know clearly what those key stakeholders need, make sure the system does it and then test it, over and over until it is correct. This is not a one-and-done situation; it ensures that what they say, what you hear, and how the team sets it up are fully aligned. Many aspects can lead to misinterpretation here.

As this process continues, ensure you incorporate knowledge transfer from external partners to internal participants, include documentation throughout the project, cross-train everyone, so there is no one point of failure, and set up processes that can be maintained and adjusted easily. It can be tempting to put off these pieces until after implementation, but that is too late for these critical pieces of digital transformation.

### Common Stakeholders

IT

Security/Compliance

Recruiting/New Hire

Current Employees -  
Hourly and Salary

Manager/Leader

Executives

Areas of Human  
Resources

## Do not leave anything to "just fix later."

Once you launch the new technology, you'll begin planning for the first round of updates and releases. These are smaller and quicker implementation processes that may focus on changes pushed from the vendor or identified internally by the company. Design a plan to review updates and requests, make decisions, and develop a timeline to plan, test, and implement. Updates to current technology and new solutions are part of how we do business today, so helping employees learn and practice change management will benefit the business beyond initial implementation.

Analyst Note: Surprisingly, we don't have more technology vendors closely monitoring and managing the implementation of their systems - both directly and through partners. Judging success or completion simply on a "go live" is creating many frustrated users. It is often done by relying on the company to provide the plan for exactly how they want the system to be built out - resulting in flawed processes put into new technology.

## Change Management & Adoption

Beyond getting the product configured and the technical integrations with the company and existing technologies up and running, creating a change management plan to help roll out the solution to the organization and end-users is critical. The most incredible tool in the world is a waste if people don't use it or prefer workarounds. Think through the stakeholders, tie change messages into their pain points, and identify champions early in the process. Also, evaluate the training and support available from your vendor to enable the change process.

The digital transformation and change management team should partner with and support you during the implementation process to ensure the decisions you make in the technology support the adoption and goals after.

This group or stage should focus on the “transformation” part more than the “digital” part, and that’s where change management comes in. Change management is a structured approach to the people side of change used when implementing new processes or tools so that the transition is smooth and has the desired outcome. Managing change is essential to successful adoption, whether changing a point solution or replacing the entire core tech stack. With an estimated \$900 billion wasted on failed transformations each year<sup>8</sup>, change management has significant implications for the ROI and success of this solution.

## Driving Adoption

**When moving to a digital solution, digital tools and platforms are expected and provide a more engaging employee experience. Some practical ways to drive technology adoption include incentives for usage, mobile access, training, gamification, leadership communication, and penalties for non-usage. Yet, only about half of companies use these methods<sup>9</sup>. Find the strategies that best fit your company’s culture and commit to supporting users in learning the new technology as much as you are committed to implementing it.**

**One of the more recent tools to support user learning and adoption is digital adoption platforms (DAPs). These solutions overlay on another software, product, app, or site to guide users through frequent tasks and processes to learn to use the new software. They provide training inside the technology so users can stay in the software and on task. The DAPs use various methods - step-by-step guides, notifications, product tours, task lists, knowledge bases, and videos - to meet each user's digital comfort level and bring them to digital competency. The advantages of these solutions extend beyond initial implementation to continuous learning. As updates roll out or new features launch, DAPs continue to support employees through the ongoing adoption process.**

# PART 4

## MEASURING SUCCESS



The measure of success should rarely be "on time and budget" - it doesn't matter if the budget was 20% under and you went live three months faster if no one uses the technology.

The success of any product purchase or rollout is the adoption and the ROI. The ROI may be hard numbers (dollars saved, time saved, productivity levels impacted, reduction in overtime, etc.) or soft numbers (improved employee engagement levels, lower stress internally, increase in applicants, etc.).

### **Executives whose companies have undergone successful digital transformation reported results that go beyond the bottom line:**

- **improved operational efficiency (40%),**
- **faster time to market (36%),**
- **and an improved ability to meet customer expectations (35%)<sup>10</sup>**

With any technology purchase, it is crucial to understand how you will measure success and track it. Look back at the original goals from Step 1 as a starting point, combine that with the adoption rate and employee feedback, and then roll in the value of the data acquired from the system. Does this technology enable you to make more strategic decisions elsewhere? What? How? Today's solutions selected as part of an overall technology strategy provide this breadth and depth of insights supporting multiple areas of HR. This type of data can be a treasure trove of actionable information for all areas of the business, so be sure to consider it as one of the measures of success.

## To RFP or Not to RFP

Traditionally, buying software was simple - contact IT, make a list, and send out an RFP. The Request for Proposals (RFPs) is a structured process where stakeholders outline their requirements and questions, and then vendors submit responses and pricing for review. RFPs can be helpful for complex projects with defined technical requirements so that multiple vendors can be compared and scored in an apples-to-apples method.

Today, there are more vendors than ever in the HCM market - point solutions, best-in-breed suites, full suites, etc. Companies are buying more products than ever, and tech stacks have exploded from 3-5 products to 40-70.

Buying products today is much more specialized based on a company's needs, specific outcomes, goals, and existing tech stack. Product differentiation is rarely adequately represented on an RFP, and those filled out with accuracy and honesty often leave innovative vendors and market leaders out of the mix - especially on point solutions or category suites.

**Today's differentiation rarely concerns a check box of items a product can or can't do and how often.**

Today, when you choose HR technology, you are picking more than a price. Customer service, client referrals, implementation approach, strategic differentiation, and modern technological innovations are not "check-the-box" items, nor can they be fully explained in 100 words or less in a traditional RFP format. Most importantly, an RFP cannot assess the user experience and usability factors impacting adoption.

**We strongly advise against RFPs for most point solution or category suite purchases. We also advise against them for full-suite purchases under 100k.**

The number of times we have seen RFPs not responded to, not responded to correctly, or the pricing increased for the "hassle" of an RFP is significant. Most of the RFP examples you find online were designed by a vendor to ensure potential customers don't ask about shortcomings and do ask about topics or things that may exist only with them (and aren't really a big deal). To an untrained analysis or points perspective - that can be enough to eliminate or include a particular vendor.

If you are at a company that requires the RFP stage, we suggest taking a modified approach to the process.

- Conduct some preliminary conversations and even first-level demos with the various vendors to build the relationship and find features you like and want to learn about
- Include not just a feature yes/no - but provide options for the company to answer if they can solve situations. They may solve them in a way you had not thought of.
- Pick the key companies to send the RFP to - don't send it out to a dozen vendors. Have conversations earlier in the process with those vendors and narrow it down if you don't think there is a fit.
- Limit the length and size.
- Let the rep know that the RFP is coming and they are one of X, confirm your interest with them, and save their time and yours if it isn't a fit.
- Once returned, do deeper dive demos and pricing negotiations.

While the traditional RFP process can be transactional, this approach further develops the vendor relationship and allows you to be more targeted.





# CONCLUSION

The human resource technology market comprises more than 100 categories and has companies building tech stacks with even more than that. Buying technology has gotten much easier, but buying technology with adoption and business impact has become more challenging.

More than  $\frac{3}{4}$  of all companies are buying at least one recruiting or HR solution this year, and understanding how to do it effectively and with purpose will save a lot of time and money (and stress).

By following the three critical steps of Building a Business Case, Evaluation & Selection, and Implementation & Digital Transformation, companies can focus on the parts that will most significantly impact their business, making a potentially overwhelming process simpler.

The best solution for a company will be the one that meets its needs and that its employees will use. Adoption is the goal, and it can be challenging to get there.

# About The Author

**Sarah White, Founder & CEO of Aspect43**, is a leading analyst, consultant, and speaker in the area of work technology - focused on improving the experiences of how we hire, manage and retain our workforce. You may have seen her in a number of national media sites, on stage at conferences around the globe or on one of the top influencers in HR, Tech, Recruiting and WorkTech over the past decade. She is also the founder of HRTechCircle, JobsinHRTech and an advocate for voice of the customer programs. Connect with her on [Twitter](#) and [LinkedIn](#).



Aspect43 is a leading analyst, advisory & strategy firm - and the experts behind the biggest names in HR and Work Tech. Each year we conduct research with hundreds of organizations to help understand the needs, goals, and challenges they face to hire, manage and retain their workforce. This data-driven approach has been presented at conferences to thousands of practitioners, been read by more than 100k people globally and helped more than 300 vendors & investment teams quickly identify and solve challenges impacting market alignment, customer satisfaction, user adoption, revenue, product gaps, brand impact, and investment.

Connect with them via their [website](#), [twitter](#) and [LinkedIn](#).

# About our Sponsors.

At Aspect43, we believe market research and education should be available to all practitioners, leaders, and companies who are interested in reading it free of charge. We are lucky enough to work with a number of technology and service providers that feel the same way and help us fund more than a dozen free research reports a year.

A very special thank you to our lead sponsors for this report - UKG, Equifax, and HRTechCircle - as well as [LeapGen](#) and [IA](#) for their knowledgeable feedback on this topic.



At UKG (Ultimate Kronos Group), our purpose is people™. As a leading global provider of HCM, payroll, HR service delivery, and workforce management solutions, UKG delivers award-winning Pro, Dimensions, and Ready solutions to help tens of thousands of organizations across geographies and in every industry drive better business outcomes, improve HR effectiveness, streamline the payroll process, and help make work a better, more connected experience for everyone. To learn more, visit [ukg.com](http://ukg.com).



Equifax Workforce Solutions helps HR teams leverage technology to drive change and add more business value. Their people-driven, data-powered solutions are built for HR teams that want to reduce administrative burdens and instead take strategic roles to demonstrate tangible HR value and support their employees' total journey. Equifax is driven to support employees and their experiences—from onboarding through active employment and beyond.



HRTechCircle is a new resource center launched in 2023, providing recruiting, human resource, and business leaders access to the latest articles, events, press releases, whitepapers, case studies, and market education from industry analysts and a consortium of industry solution and service providers who believe in better access to information. Beyond the tech, the site will provide research, insights, and downloadable content focused on hiring, managing, and retaining your workforce.

Learn, connect, and influence the future of work at [HRTechCircle](http://HRTechCircle).

# Footnotes

1. <https://aspect43.com/insightsatwork22/>
2. <https://journals.physiology.org/doi/full/10.1152/jn.01068.2009>
3. <https://www.business.com/articles/technology-leads-to-opportunity/>
4. <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/unlocking-success-in-digital-transformations>
5. <https://aspect43.com/insightsatwork22/>
6. <https://aspect43.com/insightsatwork22/>
7. <https://www.bcg.com/capabilities/business-transformation/change-management>
8. <https://www.forbes.com/sites/forbestechcouncil/2018/03/13/why-digital-transformations-fail-closing-the-900-billion-hole-in-enterprise-strategy/>
9. <https://www.pwc.com/us/en/tech-effect/cloud/hr-tech-survey.html>
10. <https://www.ptc.com/en/products/plm/capabilities/digital-transformation-survey>



**Get access to all of our research  
as soon as it comes out, for free, at:  
[www.aspect43.com](http://www.aspect43.com)**

 **HRTechCircle**

 **JobsInHRTech**