

HOW TO BUILD A BUSINESS CASE FOR A

# New HR system



# Creating a business case that gets results

You are probably aware of the benefits that a good HR system could offer, but **have you ever had trouble convincing your stakeholders** of the advantages of going digital? It all boils down to some pretty simple facts: a good HR system helps today's HR professionals make their organisations more efficient and dynamic – and reap all savings it brings.

The saved resources provide HR with more time to support their colleagues in the areas where their expertise adds the most value. The benefits trickle down throughout the whole organisation, improving the employee experience and supporting employees, team leaders and the management alike.

The arguments for acquiring a new HR system might seem loud and clear, but once you have researched and identified the right HR system for your organisation, you might also have to successfully convince your internal stakeholders to secure your investment.

To make your plan of investing in new HR technology a reality, **how do you build a business case for buying and implementing a new HR system?** In this guide, we'll provide you the know-how needed for proving the value and building a winning business case for your upcoming investment.

# Why build a business case?

Every investment in new technology can seem like nothing more but a cost up front, because the value of the investment hasn't yet been visualised. By carefully running the numbers, compiling the arguments, and demonstrating a **return on investment (ROI)**, you'll make a much more compelling case that'll get the entire management team on board in no time.

## A well-prepared business case will help you:

- **Provide the measurable value that the right HR system would bring.** A good business case provides tangible information regarding the cost benefits of an HR system implementation, helps remove uncertainties and highlights subjective benefits.
- **Build stakeholder support.** When an HR system project is up for discussion, calculating the ROI gives your stakeholders the information they need to offer or deny their support.
- **Show and highlight additional benefits.** Running the numbers for your HR system project results in valuable and concrete arguments that can be used to highlight benefits your team may not even have considered before.

Luckily, the needed data is easier to gather than you might think. After 15 years of [helping HR professionals transform their organisations](#), we are happy to share concrete examples of where our solution has produced measurable returns in this eGuide.

We hope our tips help you convince the finance department, the board, or your HR colleagues – or best of all, all of the above. Let's get started!

## Quick tip

Remember to define your starting point. Knowing the Total Cost of Ownership (TCO) of your organisation's existing HR operations is a good start for benchmarking and making comparisons with possible alternatives.

[Read the blog post](#)

# The benefits of centralised HR data

The right HR solution will help you keep all your HR processes and HR data centralised within a single HR system, allowing you to create a firm foundation for all your HR operations.

The big gains from having such a solution in place is that it leads you through your tasks and keep tabs on all essential steps in the HR process, leading to a significant reduction in human error and plenty of time and money saved.

Likewise, the increased visibility gives you a comprehensive overview of your current HR operations, making them easier to track and faster to scale, both up and down, according to the changing needs of your business.



*We needed an effortless system that not only helps keep everyday management running, but takes care of employment-related tasks and information for each department, too.*

— **Scania Finland**

## Mastering your HR Master data in a secure way

HR data is both crucial for businesses and very personal, and it should be treated that way. Despite this fact, being compliant with GDPR is a real challenge for many organisations, especially without an HR system.

A modern HR system should comply with all GDPR requirements and prevents organisations having personal data scattered across multiple systems and locations. Privacy and security should not be secondary considerations, they're a foundation on which to build your HR operations.



*The information in your HR system isn't just any data – its very personal.*

— **Napatech**

GDPR may set the minimum legal requirements for handling people's data, but GDPR compliance is not the end of the story. An HR system makes staying GDPR compliant far easier. And though there are costs associated with good security, there are even greater costs that are the result of security lapses; fines, legal action and reputational damage inevitably follow a data breach.

## It's all about the foundation

Building a solid foundation for your HR operations will pay itself back in the long run. On top of better data quality, improved processes and guaranteed data security, the benefits of gathering all of your data under one hood trickles down onto other business-critical processes.

For instance, by connecting different data streams into an HR master data system, you will have a 'one stop shop' that combines all the needed HR data into one place. This enables HR reports to be pulled out on any available data from any connected system, as easily as if they would have been entered into master HR data system itself.



*We calculated that working in one, centralised HR system would actually save us one full-time equivalent (FTE) in the HR team. That's how many hours we spent working in different systems.*

— **Ikano Bostad**

Another example of scalable thinking is to include your HR system in your organisation's core IT infrastructure from the start and connecting it to your other systems. One example of such scalable benefits is identity management (or identity and access management).

By storing the core of IdM/IAM in your HR system, you can ensure they are managed from a place that always has the most recent data of your people available.

# Calculating the benefit

Calculating the benefit for a centralised HR system boils down to very fundamental questions.

- Where do you currently store your data?
- Can you access your data easily?
- How many systems are you currently using? How much friction does working in several systems cause?
- How much time does it currently take to:
  - a. document a new employee and their information
  - b. update employee information
  - c. search for employee information
  - d. remove employee information?

Data of time spent on current tasks might not always be available in an instant, but once you start gathering it and get a better understanding of where you stand now, the basic calculation is quite simple: **hours spent on unnecessary data entry x your hourly salary.**

For instance, if creating a new employee record in each system you use takes 15 minutes per system, and you use three systems (AD, payroll and time management) in addition to your HR system, you spend  $3 \times 15 = 45$  minutes on unnecessary data entry per new employee.

If making changes to the data in each system took 7 minutes per change (including signing in to the system, entering the new data, saving the changes, and signing out), three changes per year in three systems equals  $3 \times 7 \times 3 = 63$  minutes. In total, the amount of unnecessary data entry adds up to  $45 + 63 = 108$  minutes (a bit under two hours) per year with this example calculation – and this was just for creating and updating the data for one employee.

Add the arguments of e.g. GDPR compliance and support for other business-critical processes, and your business case is off to a strong start.

[Try our simple ROI calculator](#)

## Quick tip

In times of rapid change, the challenge of aligning tasks and data is highlighted.

Having your HR master data in shape will help you navigate uncertain times.

[Read the blog post](#)

# The benefits of smoother HR processes

Great HR isn't about administration only, but some HR processes simply need to be taken care of – ideally with as little manual work as possible. Processes vary from organisation to organisation, and a flexible HR system can adjust to your needs. However, it might also make sense to rethink your processes when embarking on your digital journey.

By digitising HR processes, you simply move them from an analogue format to a digital one. This often increases operational efficiency, which of course is a nice benefit in itself. The true value, however, lies in digitalising HR; rethinking your HR processes and reshaping them with the help of technology. Not only does digitalising save you time and money, it will also help you build HR operations that truly create value for your organisation.

## The many benefits of eSign

A good example of creating resource savings is eSign. eSigning is quickly becoming the new standard for signing employment contracts, and by adopting electronic signatures into your HR solution, you can make dramatic improvements to your HR processes.



eSign gives you access to the digital alternative to traditional signatures, allowing a binding contract to be sent and returned digitally. Going digital with your signatures can potentially cut down the time spent on handling a contract to as little as minutes.

eSign also brings along an automated digital contract archive that makes contract management much faster and minimises manual error and data security concerns, all in all, saving lots of time in terms of administration.



*I'll say this: we cannot live without our HR system. It's the foundation for all other development.*

— **Dustin Group**

## A simplified salary review process

Another way of saving resources is to implement digital salary review rounds. Salary reviews are a process that often affects and involves the entire organisation.

Setting up and preparing a salary review round is often heavy work: business units and teams require separate budgets and files, a process that in itself can take up to days. With a tool, the process can take less than an hour. Without a centralised system, the files also get scattered around the organisation and are hard to control. As a result, there is seldom an audit log or a clear overview of the progress.

The tool also automatically calculates different scenarios and the effects of individual raises on a team or business level. Managers also get an overall view of all the proposed salaries, e.g. from a cost or equality point of view.

After the round has moved through all stages and approved, employees' salaries are updated automatically to the HR System. On top of obvious savings in time, money and data security concerns, a digital salary review tool is an excellent example of an HR process made fully digital that drastically improves the user experience for all parts involved.



# Calculating the benefit

A good start is to make a list or mind map to outline your current HR processes and estimate how much time you would save if said processes could be handled in an instant. Think of the benefits and time saved not only for HR, but also for the rest of the organisation; the managers, employees and the management.

- Which processes would benefit the most from being digitalised?
- Where do you experience the most friction?

Try to get as concrete as possible and demonstrate how the numbers eventually add up in the long run. With eSign as an example process, you can for instance use the following calculation:

**Hours spent per week on contracts per manager x one manager's hourly salary x number of managers.** Assuming that each manager spends 30 minutes a week on average on contracts, has an hourly salary of € 30, and your organisation has 50 managers, the total cost adds up to € 750 per week. Assuming five weeks of annual holiday, meaning your managers work 47 weeks a year, this adds up to an annual cost of € 35 250. If the same amount of contracts could be handled in half the time (a moderate estimate), the amount saved annually would be € 17 625 with this simplified calculation.

## Quick tip

Interested in more examples of the benefits that digitalising HR can bring?

Check out our [on-demand webinars](#) for inspiration and insights.

[Our on-demand webinars](#)

# The benefits of refined reporting

Reports are vital for HR. However, they can be time-consuming to compile and, worse still, if they're not in an easily digestible format, the information they contain can either go unread or can be misunderstood.

Having HR data lying around in silos makes it hard to combine with other data, such as sales or finance data, or hard to share, for instance when compensation or recruitment data are needed. With good HR master data and great reporting tools you can save time, ensure availability of crucial HR data and make sure that your reports hit home.

## From basic reporting to predictive analytics

The simple benefits of improved HR reporting tools are easy to see; improved quality and lots of saved hours. When data is no longer scattered around different in Excel files that take time to compile (and, if including personal data, are not exactly GDPR-proofed), reports are of higher quality and will start providing tangible business value.

A good HR system supplies flexible HR reporting tools that create reports, from scratch or from ready-made templates, that are easily available to the right users in an instant. An HR system also makes sure the right users have direct access to the right reports and data needed to compile reports.



*Previously, we used a lot of Excel sheets for HR reporting. Just gathering the data from different systems, checking it and compiling it took at least a couple of hours per month. Now, reporting only takes a couple of minutes.*

**— Ikano Bostad**

Make sure that your HR system scales easily and that new tools are simple to add when the needs of the organisation change. For example, if your organisation finds itself making increased use of HR analytics, you should be able to connect it to any additional business intelligence tools you have in use.

## Making HR initiatives measurable

Proving the strategic worth of HR and the impact of HR decisions should be something all HR professionals make a standard part of their daily work to become more integral to the business strategy. This is made much easier with access to the correct figures and numbers.

HR reports and dashboards of HR KPI:s help you to gain a clear understanding of the impact of HR decisions in your organisation, enabling you to see if the taken actions have resulted in the desired outcome.

Not only does improved reporting decrease time spent on analysing the past, it also makes it easier to make decisions regarding the future. By being able to give actionable insights and recommendations that create tangible business value, HR can truly act as a trusted business advisor and change an entire organisation for the better – a benefit that is really worth the investment.

## Calculating the benefit

The benefits of access to instant reporting is hopefully easy to calculate. You probably know exactly just how much time it takes to take out those weekly, monthly, quarterly or annual HR reports.

### **Map out your current reporting practices and think of:**

- How many hours does it take you to compile different HR reports? Think of the needs your organisation has and try to include all the different types of reports you are currently creating
- How many reports do you and your colleagues create on average each week, month, or year?
- Estimate the time you would save if you had report templates and easy access to all the data you need right from the start.

This leads you to a simple calculation of **time saved per report x reports per week or month x 52 weeks or 12 months = annual savings for the HR team.**

Not only does access to good reports help you with your current HR reporting practices, it will also give new opportunities for you to create more business value.

## Quick tip

HR analytics is neither an unknown concept nor a new HR trend, but that doesn't mean organisations at large are putting analytics to good use. Our [eGuide HR Trends](#) provides more insights on the subject.

# The benefits of elevating the employee experience

Decreasing any friction and increasing productivity throughout the organisation are arguments worth investing in. Providing a good employee experience is crucial to attract the right people, as people shop around for employers. You need to be able to offer your people the tools and environment they need to thrive and succeed.

An HR system will act as your second brain, keeping all your processes neatly aligned across the organisation, teams or countries. By enabling self-service, an HR system that supports your needs can help build a well-functioning automated HR ecosystem that benefits the entire organisation, not just HR.



*Our HR system offers the tools necessary to create an open work culture that stimulates trust.*

— **Matrix Fitness**

## An excellent HR system serves everyone

Even though improved self-service is a solid argument, no one wants to spend more time with their IT systems than necessary. Team managers and management want an HR solution they have easy access to and that does its job; provide an overview, lay out all the data they need for better decision making, keep the workflow straightforward and save them time.

Additionally, a good system also cuts people loose from their desks, enabling tasks being automated and working for instance on mobile devices, if desired.

Time and cost savings aside, according to studies, an HR system can

make your staff more efficient, better informed and better able to communicate how they add value to the business. This drastically improves the employee experience and you'll find fewer stressed managers on all layers of the organisation.



*Our managers tend to be hands-on people rather than administrators, so we need to make the administrative tasks easy for them to deal with.*

— Sabis

## Calculating the benefit

**Try to estimate the time that could be saved in your organisation if:**

- employees could access and update their own data in the system
- data would be governed by user privileges and accessible to the right people per default
- managers had instant access to an updated overview of their team members, their contact information and absences
- management had instant access to HR KPI:s

Use the following formula for any process within your organisation that could be made more efficient with self-service:

**hours spent per week on process A x the number of people doing process A x the hourly salary**

Many other aspects of an improved employee experience can be harder to quantify. However, intangible benefits are also crucial for your business case.

- Try to map out which improvements would be aligned with the business goals of your organisation and how an HR system would support that direction.

### Quick tip

Gartner looked at the impact that our customers saw during their first year of using the system and found that it saved team leaders around three hours each week.

# Conclusion

Building a case for investing in new technology can at times feel like a very inexact science. Let's face it: some things can only be measured with a reasonable degree of accuracy.

The easy part of building a business case for a new HR system is figuring out the savings on processes you already have some data on. Time saved by creating more efficient and digital HR processes can be calculated by reviewing time spent on a range of given tasks that could be automated by a new system.



*I built a business case for our CFO and CEO, totalling the ongoing costs for all systems that could be replaced by an HR system. It did the trick.*

— **VMS Group**

To make managing expectations and defining goals easier, it is always sensible to use fairly realistic or even conservative figures. That way your stakeholders can be pleasantly surprised rather than disappointed by the results.

Other aspects of the benefits of a new HR system are more intangible. It would be hard, for instance, to calculate the cost benefit of an improved employee experience. However, according to by KPGM, 89 % of organisations report that their HR function adds strategic value to their organisation, meaning that this intangible dimension is widely recognized and understood.

By creating a vision for the future and making a current state analysis and gap analysis on how to get there, and calculating what ROI to expect from a new HR system, you have the correct tools to gently push your organisation in the right direction to make a decision about the upcoming investment.



*My dream? That I won't have to take care of administrative HR tasks any longer and will instead be available to really talk with our people and help them develop every single day. Luckily, Sympa HR does just that.*

— **Matrix Fitness**



To actually achieve the calculated results are also doable: studies on HR transformation show that three out of four organisations have executed initiatives such as implementation of HR technology successfully.

As they say, 'it's not rocket science' – though compared to the digital possibilities of 30 years ago, we're living in HR's space age. **Good luck on your mission!**

# About us

Sympa delivers a comprehensive HR-system that seamlessly handles the entire employee lifecycle. It's multi-geo, easy to use and flexible. What's more, Sympa's extensive ecosystem allows you to integrate all your other HR tools to ensure smooth data sharing and workflow transitions across systems. Equipped with unique collaborative features, our platform empowers HR and company leaders to rapidly respond to organizational changes, boost engagement among leaders, and centralize people in strategic planning.

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