

How to Build a Business Case to Buy New HR Technology



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Introduction

When it comes to investing in new technology, HR often has to work with company leaders to make decisions, and seeking approval from leadership to invest in new technology can be overwhelming and intimidating.

In fact, according to [Gallagher's HR Technology Pulse Survey](#), the top reason why HR leaders struggle to build a business case for new software is because their executive team doesn't understand the value of the investment.

But don't fret. We've got you covered.

In this guide, we'll cover all of the steps you need to take to build and pitch a strong business case for new HR tech.



Make a List of Must-Haves and Nice-to-Haves

STEP 1

When you're looking to invest in new HR software, where do you even start?

Before you kick off your search process, you need to figure out why you need the technology in the first place.

Think about the challenges and frustrations you and your team encounter on a daily basis:

- What problems are you looking to solve with new software?
- Are you looking for an HR solution that simplifies payroll processing, streamlines benefits enrollment, or both?
- Are your performance reviews cumbersome?
- Is your onboarding process automated and easy?

Listing out your must-haves will give you a good idea of what you're looking for and help eliminate software that is not a good fit immediately.

Once you determine your requirements for new technology, what are some features that would be nice to have? Maybe it didn't make your must-have list, but wouldn't it be nice to have some employee engagement tools? Or how about HR software that seamlessly integrates with your reward and incentive platform? Listing out your nice-to-haves will help you narrow down your search even more.

Making a list of all the features you want in the very beginning will also help you explain why you chose a specific software when pitching your business case to your executive team.



Evaluate Vendors

STEP 2

Now that you have a good understanding of what you're looking for, it's time to evaluate some HR tech vendors.

When looking at the market broadly, it can seem intimidating and oversaturated. Since there are so many systems out there, it can be really hard to know the market and narrow it down.

Luckily, there are a number of ways to shrink the marketplace:

1 Look at each vendor's website for missing functionalities.

Questions to ask yourself: What functionalities do they offer? Do they check off all my boxes when it comes to my must-haves, and do they have any of my nice-to-haves?

2 Determine size match.

Some HR systems are built to support small companies, while others are built to support massive conglomerates. You need to determine which one is the best fit for your size. One way to do this is by looking at some of the clients listed on the vendor's website or the size of the clients reviewing the technology on sites like G2 or Capterra. You can also call a free technology broker service, like [Outsail](#).

Questions to ask yourself: Are those clients close to your size? Does the vendor say they are built for a certain size company?

3 Look for market presence.

You do not need to be with the biggest HR tech company, especially if you're a small or mid-sized business. But the companies you evaluate should still have a market presence. To determine this, you can simply Google around to see when they've been mentioned in the news, check the number of reviews they have on review sites, or even look on LinkedIn to determine how many employees they have.

After you've researched vendors, it's time to narrow down your search to 2-5 companies and evaluate them. Evaluating more than 5 will leave you burned out and confused between systems.

To keep this process as straightforward and organized as possible, you need to create a standardized way of evaluating demos so that it doesn't completely monopolize your already busy calendar.

So how do you prepare for a demo?

- 1 Be organized and do your homework.**
Know who you're talking to. Look at each website and come up with questions & scenarios you want answered during each demo. This should help you feel like you're driving the discussion, and ensure that you're seeing every feature you'd like to evaluate.
- 2 Build out a scorecard.**
Before evaluating vendors, you've already taken the time to determine your must-haves and nice-to-haves. Now, it's important to keep that criteria top of mind. To help you rank the vendors, create a basic scorecard in Excel to help you compare what each has to offer.
- 3 Think about who on your team needs to attend the demos.**
You don't need to invite everyone on your team to attend a demo. In fact, it's important not to have too many cooks in the kitchen. But you do want to make sure you have everyone there that needs to be.



Once you've evaluated each HR software, it's time to make a decision of which vendor is best for you and your company. Which technology hits the most must-haves and nice-to-haves?

After you confidently come to a conclusion, you're ready to move onto the next step—which is starting to determine which stakeholders to involve.

Determine Stakeholders

STEP 3

Okay, it's time to determine who the key stakeholders are in your decision making process.

Depending on your company's size and structure, various people across your organization can be considered stakeholders. Start off by looking at your executive team. How many company leaders will you need to get approval from to invest in new technology? Is it just your CEO, a full C-suite, or something in between?

Now, consider the other logistics affecting your decision. When it comes to cost and budget, do you need to involve your company's finance team? How about storing important company information in the system and ensuring data security—will you have to loop in your IT department?

Depending on who you identify as key stakeholders, you need to think about their goals and priorities. What do they care about and how will investing in new technology impact them?

For your CEO and executive team, how would implementing new technology benefit the overall company? What high-level ROI can you expect to see? How will it impact your organization's short-term and long-term goals? Will it revamp your recruitment strategy and help bring in top talent, enhance your benefits offerings to improve employee retention, or add to your company culture?

For your finance team, what is the cost-benefit analysis? Is the investment coming out of your HR team's budget, or do you need more assistance? Will the new technology result in any cost savings, and if so, will they eventually outweigh the cost of the initial investment?

For your IT department, will they be involved in implementation? If so, what would the timeline look like? How easy will it be to get employees onto the system? Will it require any training for employees, or does the HR vendor do that for you? And most importantly to keep your company's information safe, what is the HR vendor's policy when it comes to data security?

Without acknowledging how the investment will impact these individual stakeholders, you won't be able to gain their support. And without their approval, you won't be able to buy new HR tech.

Research & Build Your Business Case

STEP 4

When building a business case, there are many factors you must consider, but more importantly, there are a lot of questions that you have to answer.

Some of these questions include:

- **What are the business outcomes you expect to achieve?**

List concrete things that you expect to see from this investment.

- **What's the expected ROI?**

Give real numbers here. Show the real cost and then determine: how will this make or save your business money or time? Will you be able to handle more with your lean team (i.e. not need more headcount)? Will it protect you from [costs associated with non-compliance?](#)

- **What internal resources would be needed?**

Think about headcount here. Do you need to hire someone to manage the tech provider? Will this actually free up resources on your team?

- **What are the risks?**

Identify and evaluate any risks associated with investing and implementing the HR technology, and be prepared to speak to them when you pitch to senior leadership.

- **How does your vision for this platform tie into business strategy?**

Make a list of qualitative and quantitative benefits you expect to gain from this purchase. Next, think about your company's overall goals for the year. How do these benefits push you toward hitting those goals?

In this step, ensure that you're as honest, concrete, and precise as possible. You must paint leadership an accurate picture of what you want, why you need it, and how this will positively impact your business in both the short and long terms.

Create a Professional Slide Deck

STEP 5

Once you've conducted all the research and decided upon the key stakeholders for your HR technology business case, you will need to present all of your facts and findings in an efficient and cohesive manner. One of the best ways to convince your team about the benefits of HR technology is to visually map it out for them and share all of your compelling reasons in a professional slide deck presentation.

Let's take a closer look at what to include in in your presentation and how to make it stand out:

INTRODUCE THE PROBLEM

Start by outlining an agenda for your presentation and explain exactly what you plan to cover. Next, introduce the problem you're trying to solve with some data points you've gathered during the research phase. For example, you could mention that "The HR department spends 30 percent of the time currently managing payroll related tasks," or "It currently takes 30 minutes to process one candidate's application." You can further emphasize your point by making the statistics numbers large and bold. Gathering several of these data points will ensure that your audience understands the challenges facing your organization and set up the framework to pitch how HR technology can improve ROI, save time, and reduce administrative burden.

GIVE CONCRETE EXAMPLES

Elaborate on the next slide by demonstrating examples of tasks within your role that are extremely manual and could leave room for error. For instance, if you were asked to submit a change request form for an employee's qualifying life event, note exactly how much time and effort the task required, as well as what the proper software could automate, while avoiding any mistakes and providing added convenience. Insert a quote about this experience or short visual to add to your point.



SHARE THE ADVANTAGES

Now that you've painted a picture of the organizational stress caused by the lack of an integrated HR system, this next slide is where you want to really have your message hit home. Introduce the concept of HR technology and how it can positively support business goals.

It's critical to identify the amount of time, administrative burden, and costs that will be saved through streamlining so many HR processes in your slide deck. You could highlight the percentage of time saved across each department in big, bold text. Or point out where any costs are saved by automation.

Along with the advantages of saving on time and efficiency, there are a few other benefits you should consider pointing out in your deck, such as:

- 24/7 access to employee data in a centralized location
- Streamlined performance management and onboarding
- Automated benefits enrollment and administration
- Easy-use- tech and intuitive interface
- Convenience of employer and manager self-service portal
- Engage and connect employees
- Stay compliant, avoid fines

Speak to the qualitative and quantitative benefits you've found during your research. Be sure to tie these benefits in with the overall business strategy, strengthening your point even further. Justify the business need by confirming that the long term benefits of the HR technology will strongly outweigh any costs or risks associated with the technology.

QUANTIFY WITH ROI

Share the final projected costs versus savings and communicate the overall ROI of using HR technology. You want to think broadly as you quantify ROI to build a strong business case, but make sure there's a defined bottom line for improving revenue generation and cost savings. When calculating the projected costs, be sure you've included implementation costs, ongoing licensing costs, employee training, and all other related overhead costs associated with rolling out a new system. You should aim to present a well-thought out case that captures ongoing as well as one-time costs.

OUTLINE ORGANIZATIONAL NEEDS & BUYING CRITERIA

Based on your internal due diligence and reasoning around the case for HR technology, create a visual outline of the buying criteria and functional needs you plan to evaluate when looking for HR technology solutions. Include a breakdown of your top priorities across the organization (payroll, talent management, onboarding, etc), perhaps diving further into each category and how you will account for the company's needs in your evaluation of HR technology vendors. When presenting, pause and allow your stakeholder audience to weigh in on the importance of each category.

SUMMARIZE YOUR KEY POINTS & NEXT STEPS

Now that you've presented all of the specific benefits of HR technology to your organization, it's important to close out the presentation with a conclusion and an understanding of what next steps would look like. Summarize the presentation through reiterating the top benefits of HR technology and ROI for the organization. Let your audience know what you envision for the company's future by partnering with the proper HR software.

Outline potential follow up steps, then inform your stakeholders that you have a few solid vendors in mind and would love their feedback. Be prepared to answer any questions around the risks or drawbacks of the technology.

TIPS & TRICKS FOR YOUR DECK

- Highlight statistics and numbers, such as percentage of time saved or ROI in big bold numbers and letters.
- Clearly list out the qualitative and quantitative benefits
- Use charts and graphs to convey the value of your proposal
- When giving examples of situations that need to be improved, use a quote from a qualified HR professional at your company who can summarize their concerns
- Use stock images that convey a professional and empathetic message
- Incorporate pauses for reflection and feedback as you transition from each point
- Conclude with a Thank You slide to convey appreciation for their time.

Make Recommendations

STEP 6

After concluding your presentation, let your stakeholders know that you've researched and determined the top HR technology vendors that would be the best fit for your company's size and goals. Present your recommendation to them in a concise and deliberate manner. They should be able to clearly understand the capabilities and expectations of the HR system you are recommending.

Here are a few things to keep in mind when making recommendations:



Think about your stakeholders and C-suite partners—based on your presentation, what mix of quantitative and qualitative benefits are the most meaningful in their day-to-day work experience? How does the organization feel culturally about HR? Tailor your recommendation to accommodate for their perception of the HR function, and how this particular HR technology could enhance and simplify their lives.

Now that you have anticipated what they're looking for in HR technology, present your top vendor to them, and explain how it will solve the organization's specific problems mentioned in your slide deck. Speak to its most useful HR features. Take your stakeholders through a few examples and demonstrate how this vendor will address the issue at hand, improving processes, productivity, and ROI. For instance, if you shared an example of manual onboarding taking too much time, explain how much time and cost per year your company could save by automating onboarding processes with the HR technology vendor.

From onboarding to retirement, briefly explain how the company's processes could look by partnering with the right HR technology vendor, for the entire employee lifecycle. This will ensure they have a holistic understanding of the improvements they can expect, and get them excited about moving forward with your vendor of choice.

SOLIDIFY YOUR PITCH

If you really want to gain approval for spending requests, connect the HR cloud technology benefits to the related investments in finance cloud systems. Explain that pairing financial cloud applications together with HR applications on a single platform can allow for many advantages, such as support resources, a seamless integration, and sharing mutual data elements. It can also save on software subscription fees and make it easier to manage confidential employee information. In fact [35 percent](#) of companies said they were planning to create a shared finance and HR function within the coming year.

It's also important to tie your proposal for the HR vendor to the overall business strategy. Share how the organization will achieve key business goals by investing in the right HR technology. For example, if there's a need for completing mandatory compliance training across the organization, describe how the platform's e-learning features will help reach the goal of staying compliant in a time efficient way.

Then, ask for their feedback on your proposal and let them share their perspectives on the need for HR technology in the organization. Ask for input on the HR vendor you recommended, and share your insight on how it can help drive the business forward.

Show your stakeholders how much value will be unlocked for the company by using the HR vendor you recommend—demonstrate your knowledge, research, and reasoning, and you'll have them on your side in no time.



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Conclusion

Now it's time to buy your HR software!

If you're looking for information on the process for purchasing HR software, check out our eBook [Timeline for Evaluating, Buying, and Implementing HR Software](#).

If you're looking for HR technology that's seamless, integrated, and user friendly, look no further—Namely's all-in-one platform has you covered. Our software was designed to help you save time, avoid error, and build culture. With Namely, you can personalize the platform to meet your needs — now and as you grow. Get everything you and your workforce need in one intuitive place.



About Namely

Distinguished by its intense commitment to diversity, equity, and inclusion, HR technology leader Namely is an employer of choice that helps mid-sized employers and their employees thrive. Delivering and streamlining the complexities of recruiting, onboarding, time & attendance, performance management, benefits administration, compliance, payroll and analytics from a single platform, Namely also offers Managed Payroll and Benefits services. The company further differentiates the client experience through personalized service and easy-to-use applications.

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