TECHNOLOGY
By Al Doran, CHRP

Trends to watch for in HRMS in 2003

When asked what the trends are in human resource management systems (HRMS) in 2003, the answer from most of the experts is:

a) the Web
b) the Web
c) the Web

It's not quite that simple, but the impact of the Web on the management of HR information is the overwhelming focal point for new and revised HR systems. The Web is everywhere, including the homes of employees who use it for everything from banking to investment management to vacation planning. Employees are now expecting to be able to find HR and other business policies online, to be able to change benefits, request vacation, upgrade skills, and to manage their pension plan on the desktop.

Having the ability to do some or all of these things was once the privilege of the Fortune 500 corporations, but the tools today are now geared for companies of literally any size. That, in fact, is one of the trends: scalability.

So, in all seriousness, what are the other trends in addition to the push to the Web? They include:

a) **Scalability.** Tools that were once available only to large companies are now available to the 50-person company. Vendors have redesigned their products to meet the needs of companies with a few or many employees. Overall, there is more functionality in even some of the smaller HRMS on the market today.

b) **ERP (Enterprise Resource Planning).** More organizations are seriously considering vendors who can provide them with other tools in addition to HR and Payroll. If they can find the right vendor for their needs, they are considering Financial tools, Supply Chain Management, CRM (Customer Relationship Management), etc. Even those vendors who do not have some of these modules are adding on Payroll, and Time and Attendance, where once they only provided HR systems.

c) **Recruitment.** Many HRMS vendors are including recruitment tools with their products either through the addition of automated tools of their own or in partnership with third-party vendors using Web tools.

d) **Global.** Vendors have realized that Canadian companies often have employees in other countries and have changed their systems to accommodate the differences.

e) **ROI.** On the client side of things, corporations today are insisting that a return on investment be calculated to ensure they are making wise financial decisions. It's a new concept to many in HR but they are catching on quickly that the Total Cost of Ownership (TCO) is not just the cost of the software license.

So what are some of the developments we are seeing right here in Ontario? There are a number of well-known vendors here who have re-positioned their products to meet the changing needs of their clients. I will not cover them all but will give some examples. This is not an endorsement of any of them, but a sampling that includes some of the better-known vendors who may have been known previously to focus on the HRMS needs of "smaller" organizations. That is changing.

HR Technologies (www.hrtech.com), around since 1988, used to have many clients in the 50-200 employee range, but has evolved to include clients with up to 20,000 employees on a single system.

Originally HR Technologies offered an HR system and a Training Administration module. Now it also offers an integrated Payroll system, and a Time and Attendance system.

HR Ware (www.hrware.com) started in Canada in 1994 as an off-shoot of a well-known HRMS vendor in Great Britain called PWA. In 2000, PWA was purchased by well-known payroll software vendor Great Plains and only one year later a little company called Microsoft bought Great Plains. The Great Plains Payroll software has been integrated with the HR software of HR Ware. HR Ware has also partnered with another vendor, PDS, which was recognized as more of a mid-range product, so now they are capable of delivering systems to almost any size company.

Best Software (www. bestsoftware.on.ca) was formed in Canada in 1996 but had roots going back 25 years from Best Abra in the U.S. Best Canada completely "Canadianized" its HR/Payroll system and has since added Employee Self-Service. It also has modules for Fixed Asset Management and Asset Accounting. Like many other software vendors, it too has also gone through some ownership changes. The Sage group of companies now owns Best Software.

All three of these companies have followed almost the same trends, adding on additional modules, moving to employee self-service via the Web, and merging

with other software vendors. The range of clients they now serve has grown substantially.

In addition to having local HRMS vendors evolving right here in Canada, we also have a couple of new vendors who have appeared on the horizon recently and they bring some exciting innovations to the table.

Odyssey HR (www.odysseyhr.com) evolved from a turn-key system developed for Motorola in Japan by a Canadian. Dan Harrison, chief architect of Odyssey HR, has produced software solutions for 40 organizations across 120 locations in 20 countries since 1986. Odyssey HR has an innovative technical design that makes it attractive to organizations with multiple locations globally and may offer an economical option to some organizations that cannot afford some of the more expensive systems that are available.

Zequra (www.zequra.com) is a Canadian system that evolved from work done at Jet Form to help automate many HR processes. Offering both Employee and Manager Self-Service, Zequra is proving attractive to the smaller company that cannot necessarily afford a major HRMS. Moreover, some of those larger companies are using it as a front end to their larger, more expensive HRMS.

GTR Data (www.gtrdata.com) is a Canadian company that has been around since 1973. Based in Montreal, GTR Data has a solid base of clients using its HR and Payroll software and has recently partnered with Datasul of Brazil. Datasul's HR system is being readied for the Canadian market and will be integrated with GTR's payroll system.

The evolution of all of the vendors discussed here has been driven by the changing requirements of Canadian companies and their desire to have the right tools at an affordable price. One of the serious criticisms we have heard over and over is the escalating cost of implementing some of the better-known international HRMS products. There is a serious backlash to this and now organizations are taking a serious look at more affordable solutions.

A survey by Watson Wyatt, covering the Top 10 eHR priorities for 2003, found that executives are seeking better optimization of virtual workplaces, better implementation of Web-based employee self-service, and new ways to cut HR costs through technology.

Outsourcing is still being talked about a lot, but so far it's mostly talk. Organizations that have looked it have, for the most part, decided they feel more secure having the "black box" on their own property.

ROI is going to be a top priority in this tight economy, so be sure to do your homework first if you're looking for new HRMS tools. Do a comprehensive needs analysis before you go shopping. □

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