

# The Business Case for New HR Tech: An IT Leader's Guide



# Introduction

With new modes of work taking hold across every industry, many organizations are struggling to keep up with the needs of their people while maintaining operational efficiency. As an IT professional, you may often find yourself a crucial player on both sides of this equation. IT understands the imminent need for new solutions better than any area of the organization, but in the past has lacked the strategic influence it deserves when investments are made in digital transformation.

HR technology has rapidly evolved to keep pace with modern business requirements, but HR and payroll decision makers may not be fully aware of the technical functionality their organizations need the most, or how to build the most effective business case. As a result, IT leaders have transformed from technology experts to invaluable sources of business insight and strategic partners for the entire workforce.

The task falls to IT to understand the role human capital management (HCM) and workforce management (WFM) play in the organization's overall software ecosystem, and to translate the clear people needs defined by the C-suite, HR, and payroll into attainable, practical technical requirements for new HR technology. At the same time, to help organizations sustainably adapt in the event of economic downturn or other unexpected disruptions, IT plays an invaluable role in evaluating the entire HR tech stack on an ongoing basis to curb costs, dodge compliance risks, increase efficiency, and do more with less.

**76%**  
**of business leaders**  
**agree the CIO is**  
**becoming a change maker,**  
**increasingly leading**  
**business and**  
**technology initiatives.<sup>1</sup>**



# Translating People Needs into HR Tech Reality

One of the most critical contributions IT can make to any digital transformation strategy is to listen to the needs and concerns of leadership, HR, payroll, operations, and more; weigh them against the capabilities of available HR technology; and translate these needs into viable technical requirements to use when evaluating a potential vendor.

From small conveniences for individual employees to vital processes impacting the entire organization, a comprehensible list of relevant specifications to search for is the foundation of any new software investment.

In the table below, find examples of various needs and challenges impacting key business areas along the top, followed by the technical foundation required by any potential HR tech solution to address them.



## Availability

24/7 access to HR functions like paid time off (PTO) requests and approval

- Modern cloud platform with a 99%+ uptime service level agreement
  - Role-based access for employee and manager self-service
  - Mobile support for key functions on both Android and iOS
- >> Responsive design for a wide variety of phone/tablet resolutions and aspect ratios



## Flexibility

Management of a wide variety of employment schemes, geographic locales, etc.

- Payroll support for multiple federal employer identification numbers (FEINs), employees who are paid under more than one job code, and off-cycle pay
- A sophisticated payroll tax engine to automate payroll compliance for employees in many disparate tax jurisdictions
- An intuitive UI for employees to connect direct deposit (ACH), utilize earned wage access (EWA), and perform other tasks without IT assistance



## Security

Protection from damage to hardware, theft or corruption of data, and cybersecurity attacks

- ISO/IEC 27001 certification across the entire platform
- Regularly scheduled SOC1 and SOC2 audits
- Compliance with the General Data Protection Regulation (GDPR) and California Consumer Privacy Act (CCPA)
- Pre-built business continuity standards to increase system resiliency, minimize disruption, and accelerate disaster recovery



## Scheduling

Employee preferences, shift swapping, fairness, visibility, and transparency

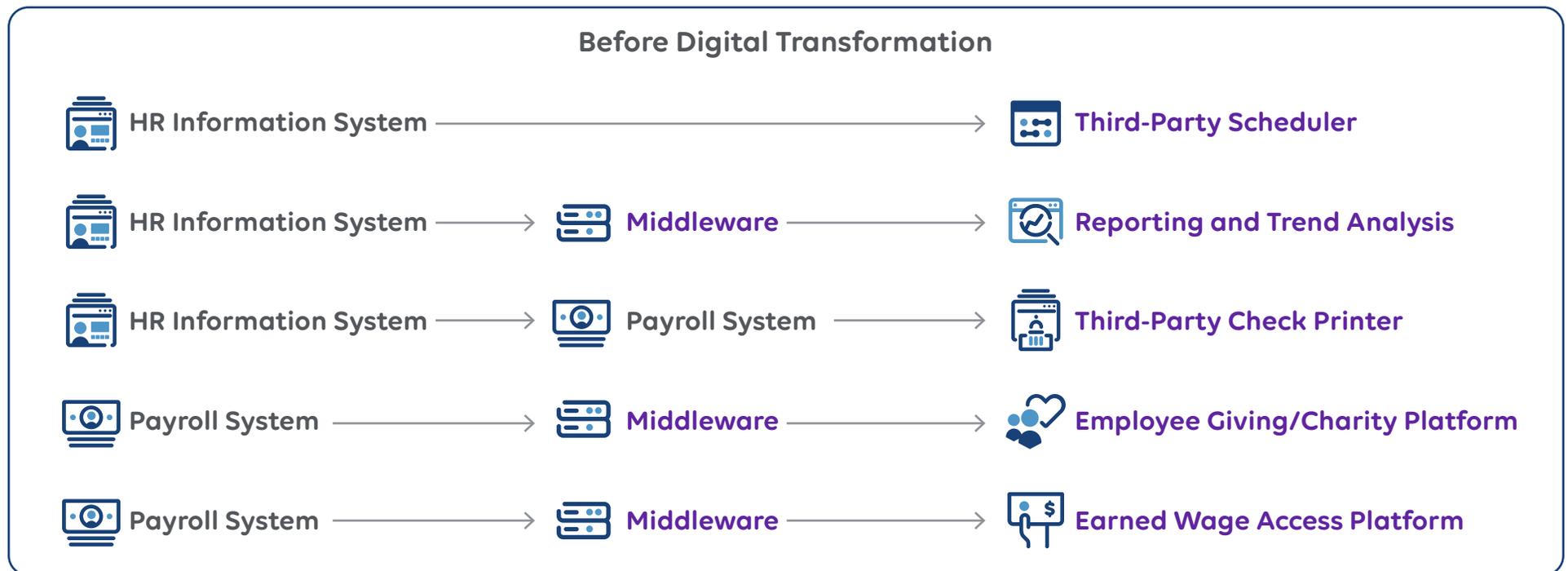
- Employee-set preferences for desired shifts that can be preserved through role or team changes
- Employee-initiated shift swaps and coverage requests within the solution
- At-a-glance visibility for management of the entire schedule, updated in real time to reflect shift swaps and PTO
- AI-driven insights to maximize efficiency, ensuring coverage while predictively combating employee burnout



# Integration: The Secret Sauce

True digital transformation demands a robust, comprehensive solution that handles as many functions as technically possible under one umbrella, while streamlining necessary interactions and data exchange with third-party applications and partners. Because of complex data formatting standards and system interoperability issues, these integrations sometimes even require the use of middleware, growing the HR tech stack and hurting your bottom line. Consider the full integration story as it stands today at your organization as you start to build the business case for change.

Here are some examples of common integrations, created out of necessity at many organizations, that represent opportunities to streamline and reduce both cost and complexity. Systems in **dark gray** represent those that could be consolidated through digital transformation. Systems in **purple** represent candidates for total replacement using a comprehensive solution.

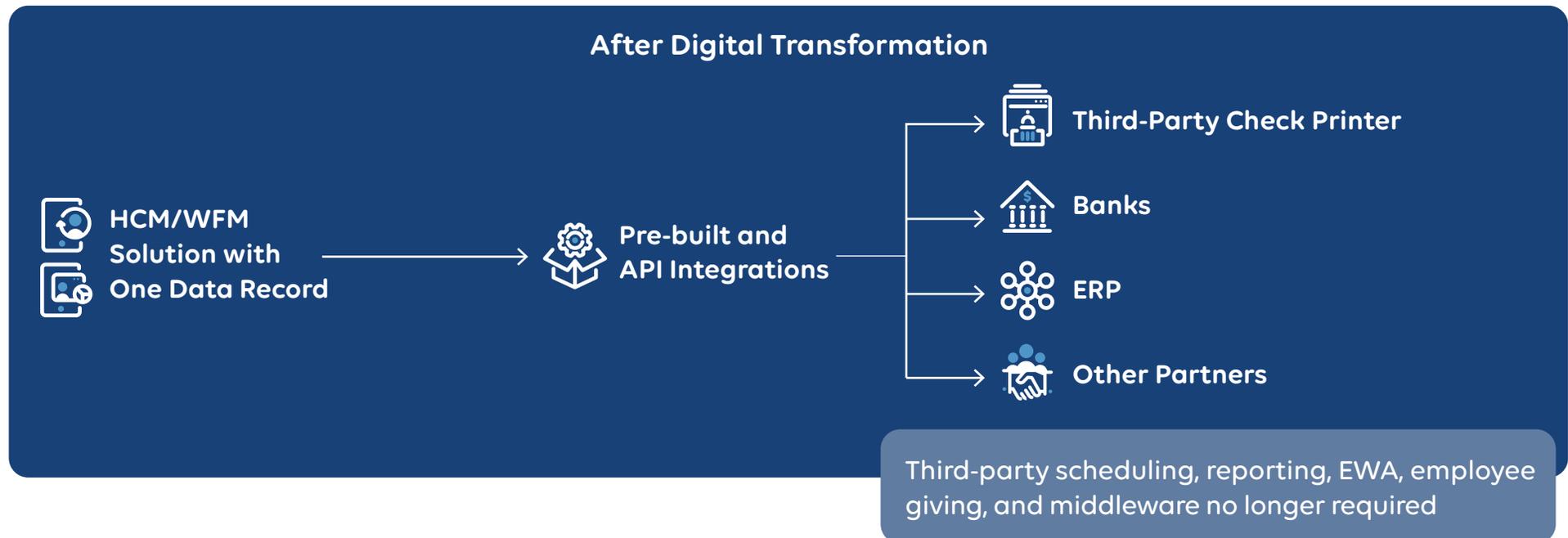


Redundant or unnecessary applications can be obvious targets for cost cutting when a consolidated solution exists. Any investment in new HR technology can deliver obvious benefits by collapsing this integration scheme. IT leaders are uniquely poised to understand and interpret the entire HR tech stack at their organization, with an eye for which applications must have seamless integration with any HCM and WFM platform.

Again, consider the needs of your teams. Does your investment need to connect to and exchange data with an enterprise resource planner (ERP)? An external processor for check printing or other payroll functions? Third-party analytics suites? List these candidates for integration and consider ranking them, from business critical to nice-to-have.

Next, consider how digital transformation could impact these integrations. The first specification to bear in mind for any potential solution is having one source of accurate workforce data. A trusted single source of truth provides the base for reliable integrations and the creation of new workflows to address the previously diagnosed needs of the organization. Harnessing this data in-house may even eliminate the need for some integrations entirely.

In addition to flexible and broad built-in integrations, a robust application programming interface (API) provides endless extensibility and simplifies integration with other systems, especially less common ones. Get a good analysis of the API of any potential solution early on in the evaluation process.



# IT as a Driver of Business Benefits

IT, often viewed as a cost center (especially when looking for cuts amid an economic downturn), may be the **most overlooked aspect of business** when it comes to **tangible business benefits, return on investment, and bottom-line cost savings.**

While the advantages of the cloud have become table stakes to many IT professionals, HR and finance leaders may not fully comprehend its potential to increase liquidity; this is more relevant than ever when preparing for a recession or period of retraction.

As just one example, consider the benefits of embracing the cloud for more total functions:

- Moving workloads and processes to the cloud can help convert fixed capital expenses into more dynamic operating costs
- Organizations that have migrated the majority of eligible workloads to the cloud see an average cost savings **three times greater** than those companies that have been slower to move to cloud<sup>3</sup>

The right HR tech investment also has immense potential to ease the burden on HR teams as well as IT itself — fewer requests and issues with self-service options for employees, more self-sufficient HR and payroll teams thanks to automation and built-in AI guidance, and operational efficiencies across day-to-day processes. This means further business impact as IT and HR have more freedom to focus on adding strategic value.

IT leaders are the best candidates to identify redundant systems that can be replaced by a more comprehensive platform, and to point out the opportunity cost of failing to fix issues with the right HR technology now. They can anticipate the longer-term impact of ongoing challenges with existing systems and communicate these costs to leadership.

Finally, HR technology that adheres to the strict requirements set by IT can also directly help organizations avoid costly potential risks.

- **Accurate and centralized data:** no manual errors resulting in the need to rerun payroll
- **Compliance:** simplifies mandatory reporting for regulations that are the source of millions in fines and penalties every year
- **Security:** network intrusions, data breaches, and other malicious software attacks carry high costs — with each one averaging an all-time high of \$4.35 million globally in 2022<sup>4</sup> — to hire cybersecurity experts and restore functionality

“C-suite leaders can’t hit the brakes and risk missing market opportunities. But on the flip side, if they continue to invest at the same levels and the economy tanks, they run the risk of spending getting out ahead of revenue.”<sup>2</sup>

Dan Roberts,  
president at Ouellette & Associates

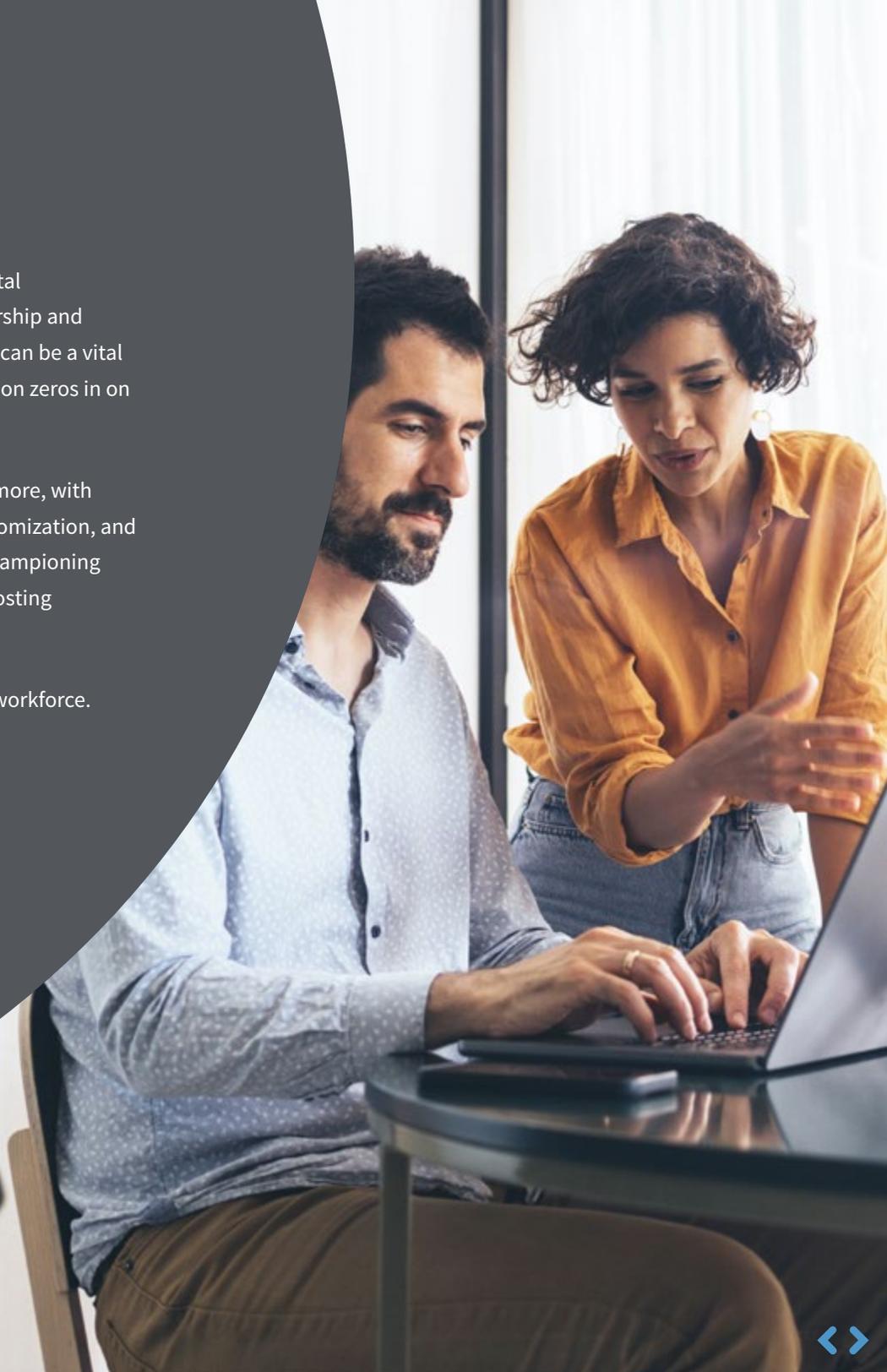


# Conclusion

IT professionals have an unmatched opportunity to drive the conversation around digital transformation right now. By cataloging the needs of employees, managers, and leadership and translating them into make-or-buy software requirements for potential vendors, you can be a vital strategic partner in the business case for new investment — and ensure your organization zeros in on the right fit.

We deliver flexible, seamless technology for HR, payroll, workforce management, and more, with comprehensive solutions built to the highest standards in security, data accuracy, customization, and ease of integration. Your IT department can deliver true value to the organization by championing the tools employees need to thrive and contribute to strategic business goals while boosting engagement, helping control costs, and reducing compliance risk.

As an IT leader, you have a unique opportunity to zero in on the specific needs of your workforce. Get started now with our solutions.



# Appendix

## Worksheet for IT Leaders

### Scoping Requirements for Software Specifications

Use this table to list your organization's workforce needs and unmet challenges that could be addressed with new HR technology, and the resulting technical requirements to apply during a vendor search.

Workforce Need	Technical Requirements

### Evaluating Integrations

After an internal audit of all the current and upcoming integration needs at your organization, try to predict how they could be impacted by digital transformation and investment in a single consolidated source of data. It may help your business case to categorize your existing integrations as mission-critical to preserve as-is, necessary but likely candidates for a pre-built or API integration, nonessential "nice-to-haves" you can evaluate on a case-by-case basis, or good candidates to eliminate altogether by taking advantage of a feature-rich solution.

Mission-Critical	Can Replace with Pre-built or API Integration	Nonessential	Candidates for Elimination



#### References:

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4. *Cost of a Data Breach 2022*, IBM, (Accessed October 28, 2022), found at <https://www.ibm.com/security/data-breach>.

