

XREF

Building a Business Case for HR Software Investment





Introduction

As an industry, we are spoiled for choice when it comes to tech-based solutions to HR challenges.

An increasing number of us are turning to cloud-based software to empower decision making, enhance candidate experience, streamline workflows and most of all, relieve our teams of tedious and inefficient tasks.

The challenge we face is positioning that solution as a viable alternative to the way things have always been done, to our business leaders.

Getting approval for your software of choice can be difficult and it's important to approach the conversation with evidence and confidence in the recommendation you are making.

Don't worry—we've got you covered!

This guide will help you lay the foundations for a powerful case for HR software investment.

Reasons for change

There are a number of reasons why HR software investment should be on your radar, here are just four that might sound familiar:



Legacy Software

Legacy systems that are slow or do not integrate with other platforms require replacement



Competitive Advantage

The introduction of HR software would offer a competitive advantage.



Legal Implications

Traditional approaches are putting the organization at risk of legal infringements.



Vendor Relationship

Relationships have broken down and it's time to look for an alternative provider.

4 Steps to Building a Business Case

—01 Evaluating the opportunity

When evaluating the potential improvements new software could offer, first ask yourself these simple questions:

- How well are we currently meeting strategic goals?
- How much time is spent on admin-heavy tasks?
- What are the pain points and where are they felt?
- What is the cost of doing nothing?
- Where could we be adding more value?

—02 Measuring the opportunity

It is then important to evaluate the potential impact of the new software on key aspects of the business, and consider how you will measure that impact. When it comes to HR and recruitment, a key indicator of the success of your software, is how well it performs in helping you to select the right candidates, engage them as employees and retain them. Example metrics and KPIs might include:



Performance

- Percentage of candidates who meet job criteria
- Performance of new hires in their first six months
- Performance standards across the workforce



Culture & Engagement

- Employee satisfaction
- Percentage of vacations used
- Percentage of sick leave taken



Employment

- Cost per hire
- Attrition rate
- Time to hire

—03 Defining the benefits

Your business case must demonstrate the wider benefits of the software to the business and the individuals it would directly impact.

As an example, the case for automated reference checks might look something like this:



Recruitment Consultant

- More time to focus on strategic recruitment tasks
- Better insights for improved decision making



Hiring Managers

- Improved team efficiency and productivity during hiring
- Greater insights leading to improved onboarding for new hires



Candidates & Referees

- A more transparent approach offering a greater candidate experience
- More control for candidates over the progress of their application
- Less interruption to referees during work hours



Leadership team

- Build a stronger, more engaged and culturally aligned workforce
- Integrated software means company assets and resources are being used to their full potential
- Reduced risk of candidate fraud or legal breaches

—04 Get internal buy-in

In order to get approval from leadership teams, you will need to demonstrate that you have buy-in from key stakeholders. When interviewing these stakeholders, questions could include:



New Recruits/Employees

What was your hiring/onboarding experience like with the company?



Hiring Managers

What recruitment insights are helpful for you during onboarding and training?



HR & Recruitment Teams

What are your pain points? What tasks are repetitive and manual? Where do you think we can add more value?



Project Managers

What are our upcoming projects? How long would it take to get a new software implemented?

Once you have an understanding of current pain points, you can use these insights to demonstrate how your new software solution could help to overcome them.

The Vision for Success

What does success look like? Too often we work towards ‘success’ without actually knowing our end goal.

Mapping out your “best case scenario” will help you get your leadership team on board with your vision of success.

Using the example of automated reference checks, success might look like:

Current Situation	Future Situation
<ul style="list-style-type: none">• Data resides in multiple locations• Feedback is not considered reliable• Delays in how quickly information can be gathered• Decisions are made without analysing the data• Manual processing and requisition• Multiple systems that do not integrate• Handwritten and inconsistent feedback• Inability to benchmark candidates or make use of reference insights	<ul style="list-style-type: none">• One ecosystem with streamlined workflows and information sharing• Improved transparency for candidates• A mobile-first solution• Consistent method of gathering feedback• Automation of repetitive, admin heavy tasks• A single source of truth• Ability to verify references• Real-time access to data-driven hiring insights• Cost and time savings

Final Approval

The individual who offers final approval for a software investment will vary from business to business, but in the case of HR and recruitment software, it will usually lie with one or more of the following:

- Head of HR
- COO
- CFO
- CEO
- CTO

Identifying the individuals who will have the biggest say or may be the most difficult to convince is important to ensuring you can tailor your case to meet their needs and ensure your approval process runs smoothly.

Prepare yourself by making sure you have the answers to the questions they might ask. These may include:



Head of HR

Is it easy to implement? Does it require significant training?



CEO

Is it business critical? Can it scale? What other companies use it? Who owns it?



COO & CTO

Is it legally compliant? Is it secure? Where is data hosted? Can it integrate with our other systems?



CFO

Can it offer significant ROI?

Summary

Ultimately, if your business is still running on outdated systems, or tedious and repetitive, manual tasks, you are operating at a clear disadvantage.

With the right planning, stakeholder engagement and data to support your argument, you will have yourself a business case that upper executives can't deny.

Top tips to remember:



Demonstrate ROI

Use qualitative and quantitative data to support and bolster your argument.



Tailor your language

Know exactly who you are speaking to and what they want to hear, then put the benefits in terms that appeal to them.



Use case studies

Demonstrate how similar businesses have overcome the same problems with technology.



Take advantage of the opportunity

See the business case a chance to audit processes and drive digital transformation.

About Xref

Xref is a best-in-class, global solution that makes reference, background and ID checking fast, simple and secure. The user-friendly technology is backed by local support teams, offers multi-language capabilities and meets the highest global compliance standards. Xref is accessible from any device and integrates with multiple leading HR tools and ATS platforms to offer seamless, end-to-end recruitment workflows.

Before you hire, check with [Xref](#).