

WHY NOT "OUT-OF-THE-BOX" OR ENTERPRISE SOLUTIONS?

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"Out-of-the-box" software solutions appear to have high appeal. They seem to offer rapid implementation, low cost and tried-and-tested functionality; what could be better?

Yes, "out-of-the-box" solutions do offer initial implementation speed, lower cost, and tested functionality. However, they also come with a cost that can make them extremely poor solutions for discriminating buyers. As the adage goes -- You get what you pay for. The downsides of "out-of-the-box" solutions include, but are not limited to:

- They compromise. Typically, they provide the 80 to 90% of functionality that most clients seek; but it is that last 10%-20% of unique functionality that is often critical for most clients.
- While many offer ranges of options, these are by definition limited; and the shortcomings rapidly create frustration.
- The compromises mean that they rarely produce the benefits sought and the users experience the shortcomings; user acceptance wanes quickly after the initial excitement of implementation.
- Unlike transaction-based software such as Payroll and a core HRIS, Talent Management, Development Management and Performance Management software seek to change the way that individuals behave. Consequently, they need to evolve as their users' behaviors evolve. "Out-of-the-box" solutions can't do this. They largely dictate the process the organization must follow. This is absolutely counter to contemporary behavioral engineering thinking that argues that organizations need to develop processes that are directly support their business strategy, are driven and sustained by the organization's culture, and that seize on (not are dictated by) the power of technology. As "out-of-the-box" solutions are largely built on a premise of an optimal process (e.g., MBO, or Talent Pools), this explains why many organizations have to replace such systems every two to three years, thereby offsetting any financial benefits of the initial purchase
- Functionality is typically focused on the front-line users and on very superficial, even cosmetic (such as "apparent simplicity" and "look and feel"); the sophisticated demands of senior management (such as "Did this increase productivity?", "Are we more effective?", "How can we prove who is the more effective manager of people?") are rarely met. So, satisfaction is typically initial and low level, with executives

becoming increasingly dissatisfied when their demands cannot be met once data has been accumulated.

“Customization” also has its shortcomings. While it offers almost limitless functionality, this comes at the cost of higher prices, extended implementation times, potential bugs, lack of upward compatibility, and the risk of limited on-going support and maintenance.

Enterprise systems suppliers such as those selling the major HRIS applications etc. argue that “Single Platform” solutions are the most appropriate and typically wrap multiple modules into the very large overall license fee. Customers then feel obliged to use these apparently “free” modules rather than buy a solution that fits their needs. These large scale applications provide excellent backbone infrastructure for the high volume transaction-based processes. However, they rarely offer the flexibility or “best-of -breed” functionality that processes like Performance Management and Success Planning demand. While there is an appearance of a free license, the costs associated with configuration are often immense; the delivery timelines are always long and rarely met; and, expensive configuration often has to be reworked with each upgrade. Real-time enhancements to meet evolving user needs and expectations are almost unheard of.

HR Pulse, Pilat’s premier Rapid Application Development (RAD) tool, was explicitly developed by Pilat over the last 14 years to combine the benefits of both “out-of-the-box” and “custom” solutions with the robustness of integrating with Enterprise Applications but without the downsides:

- HR Pulse is a RAD toolkit with which implementers (not programmers) can *create* functionality options, thereby ensuring that solutions can continuously evolve with changing circumstances and demands; implementers are not limited by a range of built-in options. Combined with Pilat’s extensive HR process expertise, implementers are able to provide the exact solution required for each client.
- It has enabled Pilat to create template systems that already incorporate the 80 to 90% of functionality that virtually all clients seek and which then allow the implementer then to missing percentage that makes each client’s system unique.
- All HR Pulse applications, no matter how different, are guaranteed upwardly compatible with future releases of HR Pulse with no additional billable rework; this makes long term utilization highly cost effective.
- HR Pulse enables clients to elect at any time to have their systems reconfigured (this is billable) to reflect process changes etc so that the system can grow.

- All HR Pulse applications use the same core code so the same on-going support and maintenance is available to all clients.

Ultimately, HR Pulse offers the potential of greater Return On Investment, enhanced executive satisfaction, increased adaptability/flexibility, and guaranteed upward compatibility and support.

“HR Software is not a solution”

Many organizations approach the acquisition of Performance Management or Talent Management as a software implementation project. Invariably, such projects do not produce the results expected. Implementing any software that is designed to produce behavioral change is a change management process:

- the organization must design its desired process first. These should take account of what contemporary technology can offer but not be;
- the organization needs to determine the extent of change that senior management will actively support - and put in place controls, rewards and consequences that will ensure this happens;
- the organization needs to bring people on-board and equip them with the process skills to be successful (system training should not be needed).

Pilat has been designing and implementing Performance Management systems since 1976 and offer our clients, if they need them, extensive consulting services to design integrated processes and technology that will directly underpin, drive, sustain and enhance the corporate strategy. Following our proprietary “The Pilat Way” process including an intensive Process And System Review And Specification (PASRAS) workshop we help organizations to design not merely their initial system but also a medium to long-term strategy for implementing true performance management.

This professional services support, combined with the availability of continuous post-implementation support and advice to handle the rare and unforeseen requirements ensures a sustainable solution, fully integrated into the fabric of the business.