

2025

Buying HR Technology:

Tips for Smooth & Successful
HR Tech Purchase and Adoption

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INTRODUCTION:

Everyone tells HR *what* solutions to buy, but few help HR understand *how* to buy.

Buying HR technology in today's fast-changing landscape is no small task. With AI innovations, staffing shortages, a surge of new solutions, and the need to replace outdated systems bought by people who are no longer with the company, organizations face both exciting opportunities and significant challenges. The market is overflowing with options, and ensuring that the technology you choose aligns with your team's needs—and that your team will actually use it—is critical to long-term success.

It's not just about attending a few demos and signing a contract; buying HR technology requires thoughtful planning and a focus on adoption to deliver real value. Whether you're rolling out a global HR suite or implementing a single tool for a specific purpose, the process can feel overwhelming. Fast-changing tech stacks, rapidly shifting business demands, and packed schedules leave little room for error.

From identifying your needs and selecting vendors to proving ROI for budget approval, implementation, and change management, each step requires careful attention—all while juggling your day-to-day responsibilities. Our State of HR Tech 2024 research found that 3:4 companies would replace their current HR technology if they could, and many are doing just that.¹ The COVID-era contracts are ending and organizations are replacing hard-to-use systems, tools with missing functionality, or solutions that simply failed to deliver promised value.

Buying HR technology doesn't have to be hard. With insights into who is buying, how they're buying, and why it's challenging, you can approach the process with confidence. In this guide, we'll share data, lessons learned, and practical advice to help you make smart decisions—from defining your needs to ensuring adoption—so you can choose technology that truly benefits your organization.

PART 1: WHO IS BUYING

Each year we look at trends and issues worldwide and how they impact the business, the employees, and the technology used (State of HRTech). In the most recent research, we dove into over 70 categories of HR technology to better understand where the market is headed - and why. While market activity hit an all-time low in early 2023, companies are once again investing in HR technology, with budgets holding steady. We anticipate a rise in replacement purchases over the next year as contracts signed during the peak buying periods expire, alongside increased first-time investments driven by the growing availability of AI-powered solutions from new market players.

The decision influencers, managers, and final signers also come from multiple areas of the company. While recruiting and human resource teams would be expected to lead the way in these purchases, numerous other roles report being involved in this process. While other departments participating at smaller organizations would be expected, we saw IT, Procurement, Customer Success, Operations, and non-HR C-Suite as part of the decision-making process event at the enterprise level (these are companies with over 10,000 employees). With recent priorities shifting from recruiting/retention to revenue/savings, Finance is now participating and even leading the process at times.

Companies of all shapes and sizes, across every industry, are making big changes to their HR technology.

While most are sticking with their Core HR systems, many are rethinking how they handle talent acquisition and talent experience, and even payroll. It's not surprising—after all, the relationship between employers and employees has shifted dramatically, and businesses are looking for tools that help them better attract, engage, and support their teams in this new world of work.



PART 2: HOW THEY'RE BUYING

After studying buyers, sellers, and adoption rates over the last two decades, one thing is clear: companies need to get better at buying HR and recruiting software.

To be fair, it's not the fault of the HR Teams.

For years, the "standard" way to buy software was a clunky, outdated process that often did more harm than good:

- Start with an RFP (Request for Proposal) that stripped away any chance for vendors to showcase real differences or standout features. Worse, some RFPs were crafted by competitors or consultants working with specific vendors, rigging the process from the start.
- Ignore companies that didn't respond, even if they couldn't clarify questions or fully understand your needs.
- Demand scripted demos based on outdated ideas of what technology should do, rather than focusing on actual business needs or process improvements.
- Involve a large group of stakeholders—many who wouldn't even use the technology—to check off boxes on features that everyone already knew the tools could deliver, without considering usability or efficiency.
- Use a rigid scoring system based on the flawed RFP to cut most vendors from consideration.
- Finally, negotiate with the few remaining vendors and pick the cheapest option.

The thinking was, "They all have the same score, so how much difference can there really be?"

A. Lot.

**Buying
technology
to help us hire,
manage,
engage, and
support your
workforce is
hard.**

**But it doesn't
have to be this
hard.**

This approach completely ignored the complexity and importance of user adoption, which is critical for HR and recruiting technology.

Back when these tools were only used by a handful of admins or super-users in the late 1990s, it wasn't as big of an issue—people found workarounds. But by the early 2000s, when larger groups of employees started using these systems, the flaws in this approach became glaringly obvious.

And yet, many companies stuck to it. Experts kept recommending it.

In other cases—especially with point solutions—companies would hear about a product at a conference or online, assume it would solve their problem, and just buy it. Some Fortune 100 companies ended up buying the same type of product from multiple vendors because users weren't part of the decision-making process, or previous tools never made it to the implementation or adoption stage before a new one was purchased.

Let's face it: buying technology to hire, manage, engage, and support your workforce is hard. But it doesn't have to be this hard.

Three (Common) Mis-Aligned Factors of Decision Making

One of the biggest challenges in buying HR technology is that companies often focus on the "what" but completely miss the "why." This leads to decisions driven by analysis, emotion, or past experiences—but none of these approaches, on their own, will lead you to the right solution.



Analytical

When buying analytically, the focus is all about the numbers. This is often the rationale behind the traditional RFP process—it feels logical and measurable. But in reality, it often prioritizes metrics that don't matter, like how many customers a vendor has, their annual revenue, or how many boxes they check on a feature list.

Here's the problem: these numbers don't solve daily challenges for users. Employees don't care how much revenue a vendor generated last year if the product doesn't work for them today. They're not impressed if a system can technically complete a task if it takes 10 times longer than their current process.

The analytical approach can make us feel confident because it gives us "proof"—a number on a spreadsheet. But confidence in the wrong decision isn't helpful when the solution doesn't meet your actual needs.



Emotional

Emotional buyers make decisions based on how they feel about a product or the vendor presenting it. Does the solution feel innovative or cutting-edge? Does working with the vendor give you prestige or access to speaking opportunities? Did they send you cool swag or respond to your questions faster than anyone else?

Believe it or not, things like pizza for the team, a free trip to a user conference, or pre-negotiated speaking engagements for a decision-maker have swayed significant purchasing decisions. It's human nature to favor those who make the process easier or make us feel special—but emotional appeal doesn't guarantee the technology will work for your organization in the long run.



Historical

Some buyers rely on past experiences, choosing a familiar product simply because they've used it before or heard good things from a colleague. This approach favors comfort over innovation. While a vendor's reputation or prior relationship might seem like a safe bet, it's essential to validate those assumptions with up-to-date information. Just because something worked in the past doesn't mean it's the best choice today.

The Real Gap

Here's the bigger issue:

73% of people say they know of systems that would help them produce higher quality work. 90% of C-suite executive believe their company pays attention to people's needs when introducing new technology, but only about half of employees agree. ²

That's a massive disconnect.

The takeaway? Whether buying analytically, emotionally, or historically, it's crucial to balance these approaches and always prioritize the "why." Why does your organization need this solution? Why will it make work better for your people? Keeping the focus on these questions will help bridge the gap and lead to smarter decisions that truly make an impact.

PART 3

A BETTER WAY TO BUY HR TECHNOLOGY



Why we buy HR Technology has changed.

Historically, it was used to support the recruiting and human resource teams' needs and streamline or automate processes. Then we bought it to provide additional reporting functionality and a better understanding of those processes. Today's solutions are doing both while supporting the individual employee in a more personalized way and aligning all of it to support strategic business initiatives.

Understanding the “why” is how we buy successfully.

Our team has assessed thousands of buying processes - from point solutions to global full-suite rollouts at companies of all sizes and industries. We combined our experience with conversations we had with leaders from some of the top digital transformation firms in the HR Tech space and practitioners that have gone through this process - with failure and success. We found incredible consistency between all of the success stories and even more with the failures. While most large companies —89% globally— are working on digital and AI transformation, they've only achieved 31% of the revenue growth and 25% of the cost savings they expected.³

We have identified three key steps when buying HR technology: Planning & Building a Business Case, Evaluating & Selecting the Solution, and Implementation & Digital Transformation. All stages are essential to the success of the process regardless of company size, industry, or type of technology being assessed.

Under each step are several factors to consider and dive into. These more specific factors create long-term success and adoption with a technology purchase. size, industry, or type of technology being assessed.

Step 1: Planning & Building the Business Case

Planning and building the business case is the most overlooked part of most buying processes. It is about more than simply building an ROI or business case and helps you understand the "why" of your decision.

This initial "why" will help you sell the project internally and build a business case and provide you with a north star to stay focused on as you move through the process. As product evaluations get overwhelming, questions come up during implementation, and you start to roll this out to your workforce, this guiding focus will make the rest of the decisions much more straightforward.

The planning stage has three main components: Identifying Business Needs, Being Clear on what Success Looks Like, and Understanding the Business Impact and ROI.

Identifying Business Needs & Defining Success

The first step in selecting HR technology is understanding your business needs. This step is about clarifying the outcomes you want to achieve, not focusing on the technology itself. Consider what your "ideal" scenario would look like—whether it's simplifying payroll with same-day pay, improving employee retention and mental wellness, or providing better workforce insights for executives. Engage with employees, department leaders, and other stakeholders to gather input on the challenges you're facing.

This step is simply understanding what problem or goal you are trying to solve, not how the technology does it.

Once you've identified your business needs, define what success looks like. This means deciding on measurable goals that align with the issue you're solving. For example, if retention is the goal, success could be tied to improving employee engagement scores, reducing turnover, or making internal mobility easier. If your goal is better executive transparency, success might involve providing clear, accessible workforce data in a timely manner. By defining success up front, you ensure that the chosen solution delivers measurable outcomes aligned with your business goals.

Understanding Business Impact and ROI

With a clear understanding of the business goals you are aligning to and the outcomes that will be a measure for success, you can shift your focus to understanding the business impact and return on investment (ROI) of solving for that need.

Many organizations need this level of data to get budget approval to move forward in the process, but it is often done at the end after they have found what they want to buy.

At this stage, it is less about the cost of the technology you are considering and more related to how solving the identified needs will benefit your company. Sometimes that is a clear savings of time (overhead) or money. Often, it is assessed with a bit broader understanding of the impact.

Some common areas to think about when looking at the business impact of HR Initiatives:

- Hiring - Will this make us an employer of choice, give us a differentiator, or help improve the hiring process, so people want to be part of our organization? Does it improve the candidate experience leading up to hiring?

- Engagement - Engaged employees impact productivity scores, customer satisfaction ratings, and patient outcomes at healthcare facilities have less turnover
- DEIB (Diversity, Equity, Inclusion, Belonging) - How does this impact our current workforce to support our DEIB initiatives or a broader definition of unique backgrounds within our organizations? This impacts our organizations' hiring, retention, engagement, productivity, and innovation.
- Retention - Does this help us retain talent, reduce overhead, save on hiring costs, improve employee satisfaction, etc.?
- Decision Making - Does this enable our teams to make more informed decisions to be more strategic around their talent?
- Time - Will solving for this goal reduce time spent on tasks that can be automated?

As you go through the evaluation and selection process, you will likely find several ROI factors you should have considered. You can amend this list later, but it will help ensure you are clear about what you are looking for.

As you evaluate different tools and learn more about them, ask vendors for clear specific examples of the solution's ROI.

Nearly every vendor has these on hand and ready to share - don't be afraid to ask.

Step 2: Evaluating & Selecting the Solution Partner

The second step is evaluating and selecting the technology or partner. This step often is viewed as "the" step. While it is a vital part of the process, without clear goals, thoughtful implementation, or strategic change management - successful adoption rarely occurs off this step alone. A good product can fail in the wrong company.

Deciding the 'who' for the "why" is about much more than the feature set offered. There are three main sections in the evaluation stage: Building a Shortlist, Product Demos, Integrations, and Culture Alignment.

Building a Shortlist

Once you determine your business needs and success criteria and are ready to investigate products, you need to develop a shortlist of companies to start looking at. More than 27,000 solution providers are selling services and technologies for HR and work tech today. This step helps you identify the right group to spend time with and evaluate further.

This market has three types of tools: Full Suites, Category Suite, and Best-in-Breed technology. It is not unusual to include products from each of these, depending on the solution you are considering. As part of this process, you must understand the difference between those.



Full Suite

A full suite is typically a grouping of technology that includes your core HRIS, payroll, and several other hiring and human resource-related modules. These systems are challenging to change, and most companies stay with their partner for extended periods. Some of these products include ERP and Financials, but most do not. These products are available from the smallest company with just one W-2 employee to the largest global organizations. They will typically be the hub of all of your integrations, and for most companies, everything else they buy will need to be able to work with these tools. These products typically started as payroll and Core HRIS first and have expanded.



Category Suite

Category suites are technology solutions that have many products bundled together and designed to work strategically. You often see these in workforce management, talent acquisition, and talent management. We also saw seeing an emergence of suites in the employee experience and wellness categories over the past couple of years. Most of these products partner well with Core/Payroll tech and have a much deeper specialization in the area of the suite.



Best-in-Breed

Best-in-breed tools are typically a single product or a smaller grouping of commonly combined solutions. This group may include onboarding, applicant tracking, performance management, compliance, etc. Most of the products in this category eventually mature into a category suite or are acquired by a full or category suite to expand their offer. That doesn't mean you should not consider them; they often are where the most innovation and advanced specialization exists.

Analyst Note:

When creating your initial list, you should look at all three options; one isn't always better than the others.

1

What product do you currently have in your tech stack that may be able to solve your issue if you added a module or changed some of the features (add all of those)? Ask for a "sales" demo with a "sales solution consultant/engineer" - it is common for companies to overlook the tools they have because the product doesn't have features turned on, or they assume they know what the latest looks like.

2

Look at what technologies are available as partners or in the "ecosystem" of your existing vendors. This approach often means some level of integration between the tools is already available.

3

Find the best in class and stand-alone solutions that fill the gap you need to solve. Google, use social media, ask your network, and read the thought leadership vendors are creating or sponsoring.

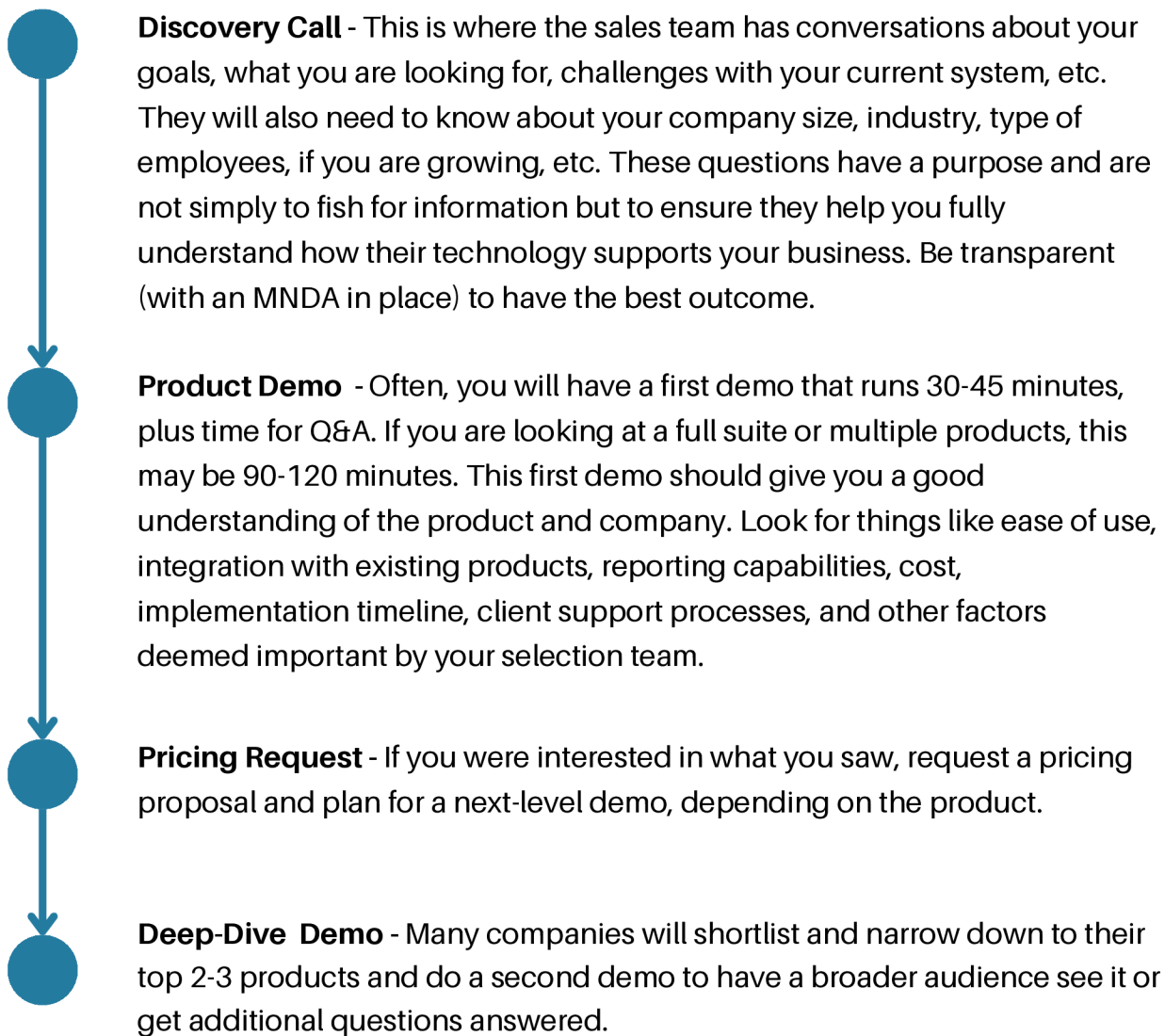
This initial list will likely be 10-25 companies. Take some time to look at their websites and understand how they talk about their products, solutions, and service levels. See if there are business cases, videos, or other insights to help get to know them better.

If you are working with an external partner, they will do a lot of this stage, but it helps to have a strong understanding for yourself so you know why they made decisions they did and can suggest someone of interest they may have missed.

Product Demos

Product demonstrations or "demos" are where you are talking with the sales team and seeing what the product does and how it works. This point is the key part of the process, as adoption will fail, no matter how great you do the rest, if the product has significant feature gaps or is challenging for your team to use.

There are a few steps during product demos. Each of these steps helps the vendor better understand your needs (why Step 1 is so important) so they can show you what matters in the time you have together.



When evaluating the technology, remember to consider it from the perspective of everyone it will impact, not just the recruiting or human resource teams. While it is natural to think about how managers may use it, accounting or executives pay special attention to how it impacts employees. The employee experience should not complicate their day-to-day job; it should simplify and target what matters to them. Usability matters to buyers of all types and sizes of companies with all kinds of employees - 73% of respondents to our State of HR Tech research cited usability as a top selection criterion for HR technology and one of the main factors that would prompt replacing it.⁴

Evaluating usability from an employee perspective doesn't have to be a challenge. Any employee-facing technology should be as easy as downloading and using an app on a mobile device - simple and straightforward with little to no training. Part of the user experience means offering at least some level of personalization. Personalized technology is already driving consumer experience on sites like Netflix and Amazon, where content is delivered based on what it knows about the user. Organizations can personalize HR technology for employees by providing content specific to who they are, what they do at work, and how they need to use the product. One of the difficulties with HR software in recent years is the tendency to confuse standardization with personalization. Having consistent, secure, and equitable processes for every aspect of HR is necessary - the important goal of standardization - but it's insufficient. Products should gather and respond to information within the system specific to the organization and the user.

73%
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HR technology**

Analyst Note:

If you are looking at newer innovations or technology you are less familiar with, you may choose to reach out and talk to all or most of the companies from your initial shortlist. Be clear you are in the exploratory phase and looking for a high-level demo of what is unique or interesting about their solution.

This point isn't the time for a large-group demo or deep dives.

Integrations

Integrations were one of the top 5 frustrations of HR technology users in 2024.⁵ Fortunately, the rise of technology partnerships and marketplaces offering pre-built integrations has improved the situation. What was once the top frustration for several years is now starting to shift in a positive direction, so it's something you want to consider in your review.

A solid understanding of the types of integrations can be helpful when moving into the implementation and change management stage.

Integrations can be file-based batched or public application programming interfaces (APIs). File-based batched integrations involve sending a file from one system to another, processing that file, and then making relevant updates. API integrations allow the systems to talk directly to each other and make real-time changes back and forth. Some solutions support only one type of integration, while others allow for both.

Beyond how the data is shared is how tightly the integration works. As you look at the ecosystems from the shortlist-building process, you will find various ways this happens for the end user. Some of the products are more like "partners," where the information automatically shows in the other solutions; the end user doesn't have to log into both products to access the benefits. In other cases, the integration allows you to jump from one to the other seamlessly within the product, giving you a chance to have the data bi-directionally flow for reporting and process updates or just share certain information to update employee records as needed.

You don't need the most advanced integration for every situation; sometimes, the data update and sharing are more than enough for the integrated system.

Integrations are the

#3

**frustration of
HR technology users⁶**

Vendor Culture Alignment

When starting conversations with vendors and doing product demos, remember that this is the beginning of a long-term relationship. Just like you interview new employees to ensure they will positively impact your business, your technology partners should do the same.

After you have made your initial list, make sure you start looking into their company culture.

You can look into this on:

- **Their website** - Many companies highlight their benefits, employee stories, and open jobs on the website's career section.
- **Glassdoor and Other Employee Rating sites** - How do their employees rate them? What do they have to say about working there? Look at not only the current scores but how they are trending.
- **"Best Places " lists** - There are various ones, such as Great Places to Work, Fortune, Forbes, etc. These are often run by third-party vetting, require a certain percentage of employees to respond, and can give insight.
- **References, Referrals** - Ask not only about the product but about consistency with account managers, access to support, and involvement with their customers
- **Events** - Meet with the team at an event. See how they interact in the booth, at the after-hours events, and in any sessions they present.

In our State of HRTech research, vendor service levels have consistently been one of the top frustrations with technology across companies of all industries and sizes.⁶

The disappointment with service levels starts with the implementation of the product and carries through customer success and how support addresses ongoing product challenges. We find a high correlation between companies with a positive culture and employee satisfaction and the happiness of their customers. And companies with high turnover can present challenges for you in service and support.

AI: What to Look for in Your HR Technology

AI is becoming a powerful tool in HR, helping to streamline processes, make smarter decisions, and personalize the employee experience. But with all the hype comes a significant amount of concern; it can be tricky to know what really matters when choosing an AI solution. Here are key things to look for in a solution:



Transparency and Fairness

Choose AI that's open about how it works—what data it uses, how decisions are made, and how bias is addressed. Vendors should explain their safeguards against unfair outcomes and back it up with independent audits or proof. Regulations hold you, the employer, responsible for how the AI technology works, so make sure you understand it.



Ease of Use and Integration

AI should simplify your work, not complicate it. Look for tools that are intuitive, actionable, and integrate seamlessly with your existing systems through pre-built connections or APIs.



Customization and Scalability

Your organization is unique, and your AI should reflect that. Pick solutions that adapt to your processes and can grow with your team as your business evolves.



Proven Impact

Flashy features are great, but results matter more. Ask for examples or case studies showing measurable outcomes like faster hiring, reduced turnover, or improved engagement.



Security and Ongoing Support

AI handles sensitive employee data, so strong security measures and compliance with regulations like GDPR or CCPA are essential. Also, ensure the vendor offers updates, training, and support to keep the tool effective over time.

Where To Start

AI is everywhere—from dedicated AI solutions to existing platforms that have integrated AI capabilities. Before diving into new options, check with the account executives for your current systems. They can tell you if AI features are already available and whether they meet your specific needs. This could save time, money, and the hassle of onboarding a new tool.

Step 3:

Implementing the Solution & Digital Transformation

More product failures, frustrations, and replacements happen due to poor implementations than anything else. Sometimes they are technical failures in the implementation design, but more often, they are process and strategy failures designed into the system.

This final step is vital for the adoption and successful ROI of the technology you buy. This step includes choosing external partners, implementing the technology, and digital transformation/change management.

Choosing External Partners

At this stage, there are three groups of partners you should be considering if you haven't already earlier in the process: selection support, implementation/system integration, and digital transformation. While some companies support companies and do both, most organizations seek to find specific expertise from the partners vs. the stage of maturity and complexity they have as an organization. It would be typical for those two groups to work together to support your company.

When choosing an external partner, like with the technology, you want to ensure they are a culture fit for your company and provide personalization to your specific situation. A one-size-fits-all solution is not ideal with talent or HR initiatives.

More importantly, ensure your digital transformation team understands the human resources or recruiting initiatives that are your focus. They will be able to best support you with process changes and thinking through best practices related to how you use the product. It is essential to ask how experienced the company is and the specific people that will be working with you. That will make a difference in your experience and frustration levels.

Some external partners you may experience along the buying process:



Selection Support

The Selection Support Team serves as guides through the first few steps of the selection process, heavily focused on step 2. Often they can continue as your change management/digital transformation partner - others specialize only in this one step. Ask how and if they receive any compensation directly or indirectly from vendors or technologies - for any purpose, not just referrals.



System Implementation/Integrators

This group serves as the company's and vendor's liaisons. Many vendors have preferred implementation/integrator partners based on previous projects or specialized training. Implementation can be one of the most challenging stages of digital transformation, so these partners must know the product well and explain it in terms the company can understand. Implementation teams are typically more focused on a single product; SI teams often look at several technologies or systems, many of which may launch at once. They are very similar in their role, and some companies use the terminology interchangeably.



Change Management/Digital Transformation Consultants

The Change Management Team, also known as Digital Transformation Consultants, focus their efforts on the adoption aspect of the process. This team's goal is to ensure the product is ready to go live in a way that will meet the business drivers from Step 1 and achieve high adoption. The use of these teams can increase employee buy-in by 50%⁷. Successful buy-in leads to increased productivity, performance, engagement, and ROI.

Implementation

Companies should know the actual time, the number of resources, and expectations around implementation in the buying process. Not all "activation fees," "implementation costs," or "start-up" fees are created equal - some are white glove services and hold your hand through the entire process. In contrast, others provide DIY videos and expect you to partner with a third-party implementer to get the product live.

Be realistic and honest internally about how much help you need and how much time your team has to do this right. What looks like a "deal" may cost you significantly more time and headaches. We regularly talk to CHROs who are frustrated with their technology only to find out they opted out of integration support and left the process up to someone that was already overworked and had no experience.

Part of this step is understanding the critical implementation stakeholders' needs and wants and ensuring proper representation for each as part of this process. Most companies have some point person for the implementation with a team that provides feedback and support from the various stakeholder needs.

Know clearly what those key stakeholders need, make sure the system does it and then test it, over and over until it is correct. This is not a one-and-done situation; it ensures that what they say, what you hear, and how the team sets it up are fully aligned. Many aspects can lead to misinterpretation here.

As this process continues, ensure you incorporate knowledge transfer from external partners to internal participants, include documentation throughout the project, cross-train everyone, so there is no one point of failure, and set up processes that can be maintained and adjusted easily. It can be tempting to put off these pieces until after implementation, but that is too late for these critical pieces of digital transformation.

Common Stakeholders

IT

Finance

Security/Compliance

Recruiting/New Hire

Current Employees -
Hourly and Salary

Manager/Leader

Executives

Areas of Human Resources

Do not leave anything to "just fix later."

Once you launch the new technology, you'll begin planning for the first round of updates and releases. These are smaller and quicker implementation processes that may focus on changes pushed from the vendor or identified internally by the company. Design a plan to review updates and requests, make decisions, and develop a timeline to plan, test, and implement. Updates to current technology and new solutions are part of how we do business today, so helping employees learn and practice change management will benefit the business beyond initial implementation.

Analyst Note:

Surprisingly, we don't have more technology vendors closely monitoring and managing the implementation of their systems - both directly and through partners. Judging success or completion simply on a "go live" is creating many frustrated users. It is often done by relying on the company to provide the plan for exactly how they want the system to be built out - resulting in flawed processes put into new technology.

Change Management & Adoption

Beyond getting the product configured and the technical integrations with the company and existing technologies up and running, creating a change management plan to help roll out the solution to the organization and end-users is critical. The most incredible tool in the world is a waste if people don't use it or prefer workarounds. Think through the stakeholders, tie change messages into their pain points, and identify champions early in the process. Also, evaluate the training and support available from your vendor to enable the change process.

The digital transformation and change management team should partner with and support you during the implementation process to ensure the decisions you make in the technology support the adoption and goals after.

This group or stage should focus on the “transformation” part more than the “digital” part, and that’s where change management comes in. Change management is a structured approach to the people side of change used when implementing new processes or tools so that the transition is smooth and has the desired outcome. Managing change is essential to successful adoption, whether changing a point solution or replacing the entire core tech stack. With an estimated \$900 billion wasted on failed transformations each year⁸, change management has significant implications for the ROI and success of this solution.

Driving Adoption

When moving to a digital solution, digital tools and platforms are expected and provide a more engaging employee experience. Some practical ways to drive technology adoption include incentives for usage, mobile access, training, gamification, leadership communication, and penalties for non-usage. Yet, only about half of companies use these methods⁹. Find the strategies that best fit your company’s culture and commit to supporting users in learning the new technology as much as you are committed to implementing it.

One of the more recent tools to support user learning and adoption is digital adoption platforms (DAPs). These solutions overlay on another software, product, app, or site to guide users through frequent tasks and processes to learn to use the new software. They provide training inside the technology so users can stay in the software and on task. The DAPs use various methods - step-by-step guides, notifications, product tours, task lists, knowledge bases, and videos - to meet each user's digital comfort level and bring them to digital competency. The advantages of these solutions extend beyond initial implementation to continuous learning. As updates roll out or new features launch, DAPs continue to support employees through the ongoing adoption process.

PART 4

MEASURING SUCCESS



The measure of success should rarely be "on time and budget" - it doesn't matter if the budget was 20% under and you went live three months faster if no one uses the technology.

The success of any product purchase or rollout is the adoption and the ROI. The ROI may be hard numbers (dollars saved, time saved, productivity levels impacted, reduction in overtime, etc.) or soft numbers (improved employee engagement levels, lower stress internally, increase in applicants, etc.).

Executives whose companies have undergone successful digital transformation reported results that go beyond the bottom line:

- **improved operational efficiency (40%),**
- **faster time to market (36%),**
- **and an improved ability to meet customer expectations (35%)¹⁰**

With any technology purchase, it is crucial to understand how you will measure success and track it. Look back at the original goals from Step 1 as a starting point, combine that with the adoption rate and employee feedback, and then roll in the value of the data acquired from the system. Does this technology enable you to make more strategic decisions elsewhere? What? How? Today's solutions selected as part of an overall technology strategy provide this breadth and depth of insights supporting multiple areas of HR. This type of data can be a treasure trove of actionable information for all areas of the business, so be sure to consider it as one of the measures of success.

To RFP or Not to RFP

Traditionally, buying software was simple - contact IT, make a list, and send out an RFP. The Request for Proposals (RFPs) is a structured process where stakeholders outline their requirements and questions, and then vendors submit responses and pricing for review. RFPs can be helpful for complex projects with defined technical requirements so that multiple vendors can be compared and scored in an apples-to-apples method.

Today, there are more vendors than ever in the HCM market - point solutions, best-in-breed suites, full suites, etc. Companies are buying more products than ever, and tech stacks have exploded from 3-5 products to 40-70.

Buying products today is much more specialized based on a company's needs, specific outcomes, goals, and existing tech stack. Product differentiation is rarely adequately represented on an RFP, and those filled out with accuracy and honesty often leave innovative vendors and market leaders out of the mix - especially on point solutions or category suites.

Today's differentiation rarely concerns a check box of items a product can or can't do and how often.

Today, when you choose HR technology, you are picking more than a price. Customer service, client referrals, implementation approach, strategic differentiation, and modern technological innovations are not "check-the-box" items, nor can they be fully explained in 100 words or less in a traditional RFP format. Most importantly, an RFP cannot assess the user experience and usability factors impacting adoption.

We strongly advise against RFPs for most point solution or category suite purchases. We also advise against them for full-suite purchases under 100k.

The number of times we have seen RFPs not responded to, not responded to correctly, or the pricing increased for the "hassle" of an RFP is significant. Most of the RFP examples you find online were designed by a vendor to ensure potential customers don't ask about shortcomings and do ask about topics or things that may exist only with them (and aren't really a big deal). To an untrained analysis or points perspective - that can be enough to eliminate or include a particular vendor.

If you are at a company that requires the RFP stage, we suggest taking a modified approach to the process.

- Conduct some preliminary conversations and even first-level demos with the various vendors to build the relationship and find features you like and want to learn about
- Include not just a feature yes/no - but provide options for the company to answer if they can solve situations. They may solve them in a way you had not thought of.
- Pick the key companies to send the RFP to - don't send it out to a dozen vendors. Have conversations earlier in the process with those vendors and narrow it down if you don't think there is a fit.
- Limit the length and size.
- Let the rep know that the RFP is coming and they are one of X, confirm your interest with them, and save their time and yours if it isn't a fit.
- Once returned, do deeper dive demos and pricing negotiations.

While the traditional RFP process can be transactional, this approach further develops the vendor relationship and allows you to be more targeted.



CONCLUSION

The HR tech market today includes over 100 categories, with companies building tech stacks that often feature a growing number of best-in-breed and point solutions. The growing complexity of choices has made it more challenging to select the right tools. We expect to see more consolidation in the market through mergers and acquisitions, along with increased partnerships to help companies navigate the landscape and find the right solutions for their needs.

If your organization is exploring new HR technology, focusing on three key steps can make the process much smoother: Building a Business Case, Evaluation & Selection, and Implementation & Digital Transformation. These steps help ensure that the technology you choose isn't just the right fit but also supports your goals and works well for your team.

Ultimately, the best solution is the one that fits your organization's needs and is embraced by your employees. Achieving adoption is essential to realizing the full value of your investment, and while it can be challenging, it's the cornerstone of turning technology into a true asset for your business.

Footnotes

1. <https://aspect43insights.com/wp-content/uploads/2024/07/Aspect43-State-of-HRTech-2024-Product-GTM-Public.pdf>
2. <https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/tech-at-work.html>
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9. <https://www.pwc.com/us/en/tech-effect/cloud/hr-tech-survey.html>
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