

Balancing Design and Technology:

Why are failed technology projects so common?



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After spending countless hours gathering requirements, holding user group meetings, customizing programs and screens, and developing training materials, a pharmaceutical company launched a new compensation management solution. Sadly, not a soul was using the new technology or ever planned to use it.

What went wrong?

For this company there were a host of reasons, but one stood out: the compensation tool didn't meet the needs of the business. The tool just couldn't support the number and complexity of their compensation plans across the various lines of business. Plus, managers couldn't be convinced to standardize their programs. As a result, not one of the business divisions opted to use the new tool.

Rigorous attention to the basic requirements, in the right sequence, can make the difference between success and failure. Ignoring a critical step or jumping too quickly to a technology solution won't solve your problems. To make a successful change to your organization, you need to start from the beginning.

We've all seen technology investments gone bad. Perhaps the promise of technology is the culprit? HR technology has greatly advanced to meet business challenges. We take for granted that it will accomplish what we want it to do rather than what it was programmed to do. This may be part of the problem, but the root cause is deeper than that. We believe that organizations sometimes skirt the process of building (or buying as the case may be) the right solution. When speed seems to define success, organizations want to cut to the chase.

Today HR professionals need technology to manage data and information, conduct analyses, provide reports, and recognize trends and issues in the workforce. If technology plays such a critical role, why are failed technology projects so common?

Starting from scratch

A successful technology project has six requirements:

1. Clear goals and success measures
2. The right program design
3. Functional and effective processes
4. Technology that supports the objectives
5. A strong business case
6. Implementation and change management assistance

Ignoring a critical step or jumping too quickly to a technology solution won't solve your problems. To make an impactful change to your organization, you need to start from the beginning :

1. Clear goals and success measures. Companies consider technology solutions when they are replacing manual processes, looking to roll out new or revised processes, or when their current technology is not working as desired. Unfortunately they sometimes rush to a technology solution when the problem is really much more complex, and relates to the basic design of the HR program or service.



Though technology should never dictate design, a programmable solution is usually necessary to achieve measurable program effectiveness. Knowing what a standard product offering can handle versus what a highly configurable or even custom solution can support is an important consideration, but more important still is how the technology helps achieve the program's objectives, and how it will both contribute to and measure the key indicators of the program's success.

Symptoms that you might need a technology solution

- Are data and metrics time consuming to locate?
- Have patchwork tools and templates been developed to fill gaps?
- Are employees and managers still working in cumbersome paper formats?
- Do employees complain about the time it takes to complete the process?
- Do you spend an inordinate amount of time administering the process?
- Are you finding more errors than you would like?

2. The right program design. If program design is the problem, the next step is to define or confirm what the program—not the technology—is intended to accomplish. For example, compensation administration and performance management programs are often designed to provide differentiated rewards to top performers. Although research consistently shows that the majority of organizations are not satisfied with their HR programs—such as compensation administration, performance management, or rewards programs—they still purchase software to help administer them. Why?

One possible explanation is that they believe—or hope—that technology will solve the problem. But making an ineffective program more efficient through technology is hardly a reasonable goal.

Organizations should start by considering alternative program concepts that are consistent with agreed-on program objectives. Typically a combination of features from different concepts will be selected to form the final design.

3. Functional and effective processes. Once the program design is determined, you need to develop or revise the roles, processes, and procedures for administering the program. These are fundamental inputs in determining technology requirements.

Ask yourself these questions to help you identify the strengths and weaknesses of your processes, and determine where changes may be needed:

- Does your organization follow a uniform process?
- Does the process ensure that the results of the program are consistent, fair, and aligned with the organization's strategy?
- Does it work well with other processes (e.g. compensation with payroll)?
- Do business leaders and other stakeholders find the process valuable?

Process improvements should always be made in advance of choosing a technology solution.

4. The right technology solution. Program design should influence technology design, not the reverse. Your decisions about technology should never compromise plan design or result in setting aside aspirational objectives simply because “the system can't support it.” Too often, technology gets implemented in isolation from other systems and programs, and misses the big picture, or organizations sacrifice program goals for the sake of ease of implementation.

The current state of technology can bring great benefits through data aggregation and coordinated display and administration. Its ability to proactively reach users with targeted messaging and action items can leverage the investment you've already made by bringing existing systems into a seamless user experience.

Reviewing websites, viewing online demos, considering internal capabilities, and networking with your HR colleagues will help you narrow the field of technology solutions. Furnish each short-list vendor or internal provider with your new program design and communicate the HR processes and requirements that you identified. Be up front about where you can compromise and where you cannot.

It is also important to engage other parts of HR (e.g., payroll, benefits, etc), as they may be expecting data or information from your new program design that you had not anticipated. Be sure to gather any additional business requirements now as identifying these later in the process could result in a scope change, causing an increase in fees and/or a delay in delivery.

Leadership might, for instance, envision a system that enables managers and employees to control the business by monitoring performance, updating goals, and demonstrating the link between performance and pay. But if the system is not integrated with the rest of the business, and does not provide the necessary level of configuration, the results will almost always be disappointing.

5. A strong business case. As you see demos and have conversations with vendors, you need to think about justifying the expense of the solution. You need to know if a solution is “heavily productized” or “highly configurable.” Heavily productized means that the basic program framework remains unchanged—customers can modify screen views, add/remove sets of data fields, and modify elements of output (e.g., reports). Highly configurable means that the system’s structure and data fields are flexible and the output is user-determined.

Each of these solutions has pros and cons—and different costs. The benefits of the productized approach include a lower cost and a shorter implementation time. While it’s possible to find a productized software tool that meets all of your demands, you may need to “settle” on a solution that doesn’t fulfill all your requirements. The highly configurable approach will provide a more targeted solution that meets your specific needs and integrates with existing applications across the organization. Drawbacks could include higher expense, longer development time, and difficulty in making future modifications and upgrades.

Building your business case will help you determine if investing in a highly configurable or customized tool is worthwhile.

Throughout the development phase, the change team needs to stay out in front of the stakeholders, gather intelligence on where the true “wins” were, and plan a customized training program. If, at the go-live, stakeholders are prepared, educated and accepting of the change, the implementation will stand a far better chance of success.

6. Executing and Implementing your solution. Although the official execution and implementation phase comes at the end of the project, you must support the changes from the beginning. The change management component runs the entire duration of the project. It can be separated into two distinct and equally critical components: the background research or “homework” portion and the go-live/launch or “exam” portion. Having one without the other can almost guarantee some level of failure.

Doing the Homework As soon as you’ve identified the problem that technology has to solve, you must start thinking about managing the changeover to the new system. Change can be emotional for employees, managers, and even HR. The critical first step is to listen to your employees. This gives you a better understanding of their concerns, as well as where they see the benefits—ensuring your messaging is appropriate and on-point.

It is also important to understand the educational needs of your employee population, which may vary widely for different groups. Knowing each group’s specific training needs will help you focus on what will help them be successful. All of the data gathering

training needs will help you focus on what will help them be successful. All of the data gathering and planning that you do now will pay off when you launch the new program or technology later.

Remember, the homework phase isn't a one-shot, last-minute task. You need to be in touch with employees, gauging resistance and reaction right up until you "go-live" with the change. If you don't keep on top of this, it's likely that the actions and activities during the official launch of your change will be viewed as out of place or useless or, worse yet, cause your expected return on investment to disappear.

Taking the Exam For most people, change management occurs at the time of actual implementation. The formal announcement of the new process, launching emails, or introducing training programs helps the organization make the final break from the old and adopt the new. But the right foundation must have been laid or these efforts will likely fall flat.

The final change management activities should be customized to each employee group affected. Managers want a different type and level of information than HR or the average employee. Ensure that the communications are timely and that the training is accessible and pertinent. If your change includes the rollout of a new technology, an online tutorial or self-help tool is very valuable, particularly if the program is not used daily.

After rolling out a change, it is important to monitor feedback and continually take the pulse of the organization. Reaffirming key messages, following up with helpful tips and training, and offering general support will promote the adoption of the change and avoid duplicating efforts during the next performance or compensation review cycle. Consider this the final step within the execution and implementation phase.

Reduce your chance of failure

In any tough economy, investments are looked at very carefully. With limited budgets, it's vitally important that investments are sound and help the organization attain a critical goal or reap a necessary reward. Making well-thought-out decisions and challenging yourself to execute each step will greatly reduce the chance of failure—and may just land you ahead of the pack.

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