

Selecting a Performance Management Software Vendor

Companies implement performance management software for one key reason: to improve business results by increasing productivity. This is achieved through the retention of key staff resulting in lower turnover, more motivated and engaged employees and individual goals being closely aligned to organisational strategies.

An holistic system will include the following elements and be aligned to recruitment strategies:

- > goal management
- > performance management
- > talent management
- > succession planning
- > 360 feedback
- > compensation planning

A number of vendors in Australia are offering software that addresses some or all of these issues. This white paper discusses how to assess which company has the right solution for your business.

Alignment between your organisation and the vendor

Before you chose a vendor you should consider how much cultural alignment there is between your two organisations.

Not only should the vendor have an interest in, knowledge of and understanding of your industry, they should have a detailed understanding of your organisation and its specific issues and requirements.

You should also look at the extent to which the vendor is focused on building a strong working relationship with you and your organisation.

It comes down to trust: how far you believe the vendor is committed to assisting you in making sound business decisions and delivering on what they promise.

Minimisation of Risk

In this process, you should seek "proof of concept" from a prospective vendor before you commit to any expenditure.

You should also ask about the level of support available, how accessible it is and whether it is provided locally in cases where an overseas vendor is involved. Assess the quality of the vendor's staff and ask who will be working with you.

It is worth checking the vendor's financial viability and how long it has been in business. A good indication of its credentials will be gained by looking at the quality and quantity of its existing clients and how satisfied they are with the product and the support provided by the vendor.

Personalisation of the Performance Management Solution

Every company's needs are different. It is essential that the system you employ should be configurable to meet your unique requirements.

Ask whether the software can be personalised to the look and feel of your organisation, incorporating your methodology, approach and processes, now and in the future.

Also consider how easily this solution will interface with your existing HR and other systems.

Capabilities of the vendor and level of support provided

It is important to assess what level of business and HR experience the vendor possesses. The best vendor will be able to assist you in building a business case and obtaining buy-in to implement the performance management solution. And also help you manage the change process associated with the implementation.

You should consider the level of support you will be provided in implementing the system and on an on-going basis throughout the performance management cycle. Ask how the vendor will assist you in identifying potential issues and addressing them in a timely fashion.

A vendor should also assist with training, not just on the software but also in instilling a performance culture within your organisation. A reputable vendor should be committed to ongoing product development and understanding of HR best practices and trends worldwide.

The benefits of selecting the right vendor

As well as assessing vendors against each of the criteria above, you also need to weight the importance of each of the questions to your organisation.

Experience shows that projects are most successful where the vendor is culturally aligned to the organisation and shares similar values. This alignment is key to any business relationship and assists in building trust between the vendor and the organisation.

The best vendor will understand your business, the issues you are facing and want to assist you in addressing your business needs accordingly. Also that vendor will be able to articulate the return on investment you can expect and have the capability to support you through the implementation process, as well as providing on going support.



THE SOFTWARE: QUESTIONS TO CONSIDER

- > How easy is the system to use? Is it user intuitive or is extensive training on the system required?
- > Can organisational strategies/goals be cascaded to individuals as objectives and edited to make them more specific to the individual? Can remuneration and bonuses then also be linked directly to employees' performance against those objectives?
- > How comprehensive is the reporting capability within the system? Are the reports designed in a way so that is easy to interpret the information strategically and also to drill down for more specific information when the need arises, allowing important business decisions to be made effectively and efficiently?
- > What security accreditations do the vendor and their hosting provider possess?
- > What functionality and modules are incorporated in the software?
- > Price/Value for money. Can the vendor articulate the return on investment you can expect to see from implementing their performance management system?
- > Can individuals and management access the system independently to identify performance gaps and implement appropriate training and succession planning?
- > Is the system adaptable to changing needs of your organisation and to meet new methodologies?

To discover more about Acelero's products and services and how they can be put to work in your business, or if you have any questions, please call or email us on:

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