

## Linking Services and Systems



One of the great promises of HR outsourcing has been the marriage of technology with streamlined services for transactions. HRO

service providers have approached the marketplace from competing vantage points. Some bolster their systems and technology with HR portals, employee and manager self-service, and HR data warehouses. Others have emphasized the quality of their HR knowledge and skills depth and viewed technology as simply an enabler. In one great moment of HRO

selling in 2006, we heard an executive from a major provider say to a client, "Technology is like a typewriter. It doesn't create the quality in the document typed."

Much to our dismay, we are seeing major service problems develop in this aspect of the HRO industry. Some providers are adept at data conversions, systems integration and HRIT implementations. Others focus on deep HR expertise and look at HRIT as something that is a given. We believe providers must become better at helping clients implement and transition to new technology in order to realize the promise of HRO.

Several transition projects in 2005-2006 have foundered on poor technology implementation. These failures have been due to a host of related issues, including an overly technical approach by the provider in converting current HR service delivery to technology-enabled service delivery. Providers have occasionally fallen into a pattern of "geek speak" with HR people who have no common background or systems skills to understand what is being said to them.

Another issue has been poor change-management and project-management skills. In working through HR process implementations, providers have undervalued classic HRIT project-management techniques and skills.

Still another issue has been a lack of coordination inside the provider itself. Often, the systems-integration people are in a separate profit center, with different management from those in HR outsourcing services. In far too many instances, these groups have been poorly coordinated inside the provider.

The need to cure these problems is immediate and substantive. Poor technology implementations can destroy confidence in the provider. All HR people understand how important technology is in servicing our clients. Since HRIT is one of the first experiences a client team will have with a provider, the entire relationship can be placed at risk when the first phases of the HRIT implementation are poorly performed.

The HRO community needs to be very clear about these problems. There is no "secret sauce" here. What is required to remedy this growing chasm between services and systems is simply classic internal coordination, having one "voice of the provider" to the client, much better and deeper project management skills, and the ability to communicate needs, milestones and objectives to the client team in a language it can both fathom and embrace. I agree that the typewriter is not as important as the content of the letter written on it, but without a modern word processor, we are going to be back to copper plate handwriting—a thing of beauty in and of itself, but not useful when our employees or retirees are trying to make a benefit change.

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