

## Making the best of on-demand services

**Call it on-demand computing or software as a service, the concept of accessing technology for HR on a pay-as-you-go basis continues to gain traction. But how well does it work in practice? Angus Kidman reports**

The notion of outsourcing some aspects of technology is not a new one to most HR managers – managing payroll in this way has been common practice for decades. In recent years, though, the concept has gained a new twist and is often labelled on-demand computing or software as a service (often abbreviated to SAAS).

In the on-demand model, rather than having a long-term contract for a specified group of services, companies pay for those services they actually use – whether it's access per user to an HRMS package, or to a given amount of processing each month. Typically, such services are accessed via the internet. The most common charging model is per user per month, but a variety of other options exist, and some companies still commit to long-term contracts to ensure better prices and ongoing availability of the service.

The on-demand approach can be applied to any field of technology, from typical day-to-day services such as payroll, talent management or metric tracking through to underlying infrastructure such as communications and ERP systems.

In many cases, it's the ability to quickly bring a system up to speed, and to make ongoing modifications without having to perform complex IT maintenance, that makes this methodology so appealing.

### Managing metrics

For the Department of Immigration and Citizenship (DIAC), developing an effective framework for people reporting to measure and analyse workforce trends is essential. With an operating budget of approximately \$1.2 billion and about 7000 employees working in more than 100 locations in Australia and overseas, selecting the right HR metrics to effectively measure the impact on the organisation is critical.

DIAC is a longstanding user of Infohrm's on-demand workforce and analytics solutions. DIAC began using Infohrm's platform in 1999 as a means of building a consistent metrics framework for the organisation and expanded its use in 2006 to produce wide-ranging operational reports.

“Infohrm is a tool that the department uses to provide HR information to managers to enable them to monitor their workforce, assist with workforce planning and people management decisions,” DIAC people services assistant secretary Craig Farrell said.

“It presents HR information in a user-friendly format that’s easy for our users to navigate. Making that information available to the desktop is an important goal, but ensuring its integrity is also a key consideration. We know that the information [that] managers are viewing on the InfoHRM site is consistent and secure,” Farrell said.

Working with an on-demand platform offers significant benefits. “The Infohrm reporting tool saves us a significant amount of time with the automated extraction, calculation and presentation of HR metrics we use for regular reporting,” Farrell said.

Even within that framework, however, constant vigilance is needed to ensure that the metrics match up with changes in the department’s main SAP HR system.

“As the HR systems and business processes are modified, we must ensure that any internal changes are reflected accurately in Infohrm. Ongoing maintenance of the software is definitely required,” he said.

“Even when no software changes have taken place, the workforce planning section focuses on data quality and integrity. We’re continually improving the presentation of the HR Information on site.”

While DIAC uses fairly standard HR benchmarks such as demographic data, organisational health and workforce mobility measures, the department is also currently developing a more comprehensive set of people metrics that will assist DIAC to measure organisational performance. Farrell is a strong advocate of the benefits of on-demand workforce planning and reporting systems.

“It saves a lot of time and it presents information for users that’s easy to access [but] ensuring success with such software is highly reliant on efficient initial planning.”

“Make sure that the system is established and is set up correctly, and that all the rules underpinning the system are accurate,” he advised.

A continued focus on accuracy is also vital. An important part of that process, he said, is making sure that changes made elsewhere within the overall corporate IT structure don’t adversely impact the reporting process.

“Utilise technical expertise to ensure HR systems changes do not affect the integrity and the accuracy of the data presented on the Infohrm platform,” Farrell said.

### **Layers of service**

The use of on-demand software promotes a service-based view of business processes, and that

approach can impact across several layers of providers. Offshore office specialist Delegait, for instance, provides packaged access to overseas staff with associated on-demand software services for businesses, but is also reliant on on-demand services from other providers to make its own business work.

Established in 2006, Delegait operates offshore centres in which expanding Australian businesses can locate employees for hard-to-fill roles in areas such as customer service, software development or accounting. Unlike outsourcing companies, where staff are employed by a third party, Delegait locates staff, hires them, and provides office space and technology services, while the employees are contracted directly by the Australian company involved. "It allows them to get access to skills that are in short supply in Australia," said general manager Graham Gulliver.

"For those areas where there's clearly a critical shortage and people are looking to bring staff in from overseas, we think our model is better," Gulliver said. "It increases sourcing options and it improves retention.

"There's a lot of back office work associated with HR management, and all of that work can be done out of another office. That relieves the pressure on HR management because they have better use of their budget."

On-demand technology is critical for Delegait. "It's really only been in the last couple of years that reliable technologies for voice and data have made it viable and secure to work this way," Gulliver said.

The most crucial technology element for Delegait is its communications infrastructure. Since early 2008, that has been sourced as an on-demand service from PipeVines, which specialises in offering communications infrastructure using the SAAS model.

"We're very pleased with the quality and the flexibility of the solutions we have available now," Gulliver said. "With the kind of technology that PipeVines make available, we can have a scalable model for telephony and software applications. We're utilising their services on behalf of delivering a service to our clients, so it's critical to us to have very high reliability and a very strong set of services. The SAAS model is ideal for us. We don't have to take risks on things like backups."

The ability to rapidly add services is particularly important, because staff can be hired on short notice in remote locations and will normally work a standard probation period. "We need a flexible approach and not to be locked into long-term period contracts. Scalability is very important," Gulliver said.

"It's good to have that available as a service on tap. For us to try and replicate those kinds of facilities would be just ridiculously expensive and complex."

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