

Scenarios To The Left Of Us...

MAKE HRM DELIVERY SYSTEMS AUDITION FOR YOUR BUSINESS.

BY NAOMI LEE BLOOM

In several previous columns, I suggested that you use scripted scenarios to determine the fit between any prospective outsourcing services and your organization's needs. When those outsourced services are substantially enabled via software, the use of software assessment scenarios may seem obvious. However, an equally important use of HRM delivery system (HRMDS) assessment scenarios is with those delivery system components, like a customer care center, that involve substantial manual processes.

What's important in evaluating an outsourcer's HRMDS is to determine (1) to what extent their capabilities are a good fit for your needs and (2) to what extent their services are delivered cost-effectively—for them and for you—and with high quality. If your selected outsourcer doesn't have a cost-effective and high quality HRMDS, you'll regret the selection, even if you do get a short period of great service, when they're acquired or unplugged.

So what are scripted scenarios? How do you create effective ones? And how do you avoid scenario overkill? Scripted scenarios are very much like mini-Harvard MBA case studies: You describe a specific business context, place a business situation within that context, and then ask how the offered services respond to that business situation. But instead of prospective outsourcing providers submitting written answers to your questions about how their services respond to your scenarios, providers are required to demonstrate exactly how their services respond, be they automated or manual. This type of scenario is called a scripted scenario because it provides a script for the provider's demonstration of the desired responses, not in terms of the mechanics but in terms of the customer's view of the service.

Think of these scenarios as calling for a dialogue, automated or manual, between the customer, who might be an employee, manager, HR professional, or third party, and the provider's staff or automated capabilities. The most effective scenarios are those that not only demonstrate needed capabilities but also help differentiate between the service offerings of different providers.

The secret to avoiding scenario overkill is to know, based upon considerable knowledge of HRM, the

HRMDS and the competitive landscape of providers—what can be safely assumed about provider platforms, and what must be tested. For example, if the provider is a long-established, national payroll processing outsourcer, it is safe to assume that they can calculate accurately most withholding taxes (always being wary of some of the more obscure U.S. local taxes and reciprocity agreements). Much of what I've covered in previous columns and will continue to cover in future columns are those points that must be tested.

Every organization needs a baseline collection of HRM scenario sets, which are usually developed during strategic HRMDS planning, regardless of the extent to which you use outsourcing and/or insourcing as an HRMDS implementation tactic. For each suggested set of scenarios, there should be a discussion of its boundaries and the component events or activities. Each scenario set should address not only transactional requirements and business rule enforcement but also related compliance, content, communication, analysis and recordkeeping.

In next month's column, I'll present a suggested structure for your scenarios and provide a "starter kit" of scenario topics. In the meantime, start making a list of those HRM business processes, business rules, and data that have been a source of unneeded



Naomi Lee Bloom, managing partner of Fort Myers, Florida-based Bloom & Wallace, may be reached at 239-454-7305 or naomibloom@mindspring.com.

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variability, complexity, misinterpretation, administrative confusion, high cost, or personal frustration. Are there obvious groupings where those areas warrant a scenario? Could some of those processes, data, or business rules be eliminated, standardized, or simplified under the political cover of an HRMDS upgrade, overhaul, or outsourcing analysis? You might as well get started now. 