

In Selecting Technology, Consider the Home Team Versus the Away Team

WHILE DOMESTIC HRM SOFTWARE MAY SERVE YOUR NEEDS TODAY, A MYOPIC VIEW MAY CARRY A HEFTY PRICE WHEN IT'S TIME TO GROW BEYOND DOMESTIC BOUNDARIES. BY NAOMI BLOOM

When I began my career, most businesses were domestic. They might have sold across country borders and might even have had a sales outpost here and there, but the vast majority of their workforces were within a single country. It was a time when business was conducted face to face, thank-you notes were handwritten on business letterhead; only managerial desks held telephones; most workers never thought about time zones, let alone setting up a call with India; women worked in discretely female roles; and many European countries, just recovering from WWII, used the full weight of government policy to nurture their domestic industries and put their own citizens back to work.

From this gentle domestic landscape emerged a whole range of equally domestic HRM software and business services firms to advise and support our increasingly complex business dealings. Lawyers, chartered accountants, management consultants, HR experts, and computer systems engineers (or SEs as IBM called its sales staff members whose job it

them founded McCormick & Dodge (later M&D) in the U.S.

Pretty soon those big, expensive computers and their business applications software were being made available on a time-sharing basis to domestic businesses of all sizes, most of which could not otherwise afford computing. One version of this time sharing—surrounded by a range of services—was the domestic payroll service bureau. After all, how could anyone devise payroll software and service teams that could accommodate this highly regulated and culturally sensitive business in more than one country? Software as a service was born, not last week but decades ago, and its first incarnation was in those payroll service bureaus.

Over the ensuing decades, computing power and related infrastructure costs plummeted, domestic companies expanded to become multinationals and then global, and everyone needed more business applications and related services to survive and prosper. SAP, Oracle, PeopleSoft, and some other HRM software vendors became globalists—first by localizing their products and services, then country by

to entirely domestic HRM applications software and BPO providers. Large, private healthcare organizations, public school systems, sports teams, radio station groups, beauty salons, dry cleaners, landscape services, neighborhood shops, or plumbers rarely expand across national borders, and all country-specific governmental organizations are by definition domestic. But most organizations today have geographic expansion as a part of their growth strategy, especially in Europe where neighboring countries are very close, borders have often moved, business people most often speak several languages, and the EU's common currency and other policies have made such cross-border expansions a bit easier.

The bottom line is that there are very few organizations whose growth strategies won't soon need HRM applications software and BPO providers that can carry them comfortably across their borders and far beyond. While it's possible for multinationals and global organizations to run each country's business on a country-specific basis, the inevitable demand for an enterprise view of the workforce and its costs and performance make a patchwork of country-specific solutions a very short-term approach. There will always be demand in the public sector and at the lower end of the market (where mass market numbers of organizations reside) for purely domestic HRM BPO providers and their application software partners, but ambitious commercial organizations should plan for their cross-border growth by selecting HRM BPO providers which have already or soon will implement global software platforms and service delivery. HRM

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was to help the buyers of its hardware put it to good use) began providing us with "independent" expertise, and we got used to the idea that they were sharing that same expertise with other clients.

IBM was one of the first companies to do business in a multinational way, and its SEs were some of the first to realize how useful their computers could be when driven by business applications software. Although custom software dominated the market, graduates of IBM's SE programs were among the first to conceive of packaged applications. Five of them founded SAP in Germany, and two of

country, and then, seeing the patterns in those localizations and services, by creating multi-country and even global products and service offerings. M&D stayed focused on large companies within the U.S. domestic market and realized too late that all of its customers were becoming multinationals if not globalists. While not the only mistakes made by M&D, MSA, or Peterborough Software, as well as other now forgotten brands that landed in the software graveyards, failing to spot the rise of international business was one BIG error.

There are still entirely domestic organizations that may choose to commit themselves



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