

7 questions to ask before buying HR software

A simple Google search for “HR software” will return a mind-numbing 700,000 results. Every vendor will promise efficient, easy-to-use, cost-effective software. Some systems live up to the hype, and some don’t.

To select the right vendor and software for your organization, arm yourself with these seven questions to narrow your search:

1. How do you determine the price? Vendors typically price software in one of three ways: (1) the number of “seats” that use the software; (2) the number of concurrent users—no matter where they sit—who access the software at a given time; or (3) the number of computers or servers that run the software. Decide which pricing structure best suits your needs.

2. Is the software “scalable”? That is, can the software grow with your company without excessive additional spending or customization? Ask: At what size will the company outgrow the software?

3. Is it compatible with my network, hardware and data? Will the software interface with other systems such as payroll?

4. Do you offer free on-site service and support? It should come with higher-priced items. But if not, ask that it be part of the contract. Some vendors charge for training, customization, troubleshooting and installation. Vendors should provide some kind of on-site service even if it’s only free installation.

5. What costs *aren’t* included? Ask about the costs for maintenance, hardware and software upgrades, installation and leasing.

6. What’s your policy on program updates? Some vendors provide updates to customers only when they complain about a problem. Some provide updates as they become available.

7. Can you provide references of businesses of similar size in the same industry? Ask those references: How has the system increased HR efficiency and cut costs? Which functions are most helpful? What don’t you like about the system? What do you think about the vendor’s customer service?