The Complete Buyer's Guide
to People Analytics Software

Key Steps and Worksheets to Buying the People
Analytics Solution That's Right for You

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Key Steps and Worksheets to Buying the People Analytics Solution That's Right for You

We live in a data-driven world, and people analytics software enables you to make more data-driven people decisions. But choosing the right people analytics software can be difficult. We understand. In this guide, you'll find key questions and worksheets to help. Based on our in-depth knowledge of the people analytics market, we'll take you step by step through the process — while offering tips and advice — so that you can find the software that helps you reach your most important goals — whether it's retention, DEI, or improving the employee experience.

HR's Current Landscape

HR's top priority has shifted from the spotlight on DEI to retention and hiring after the Great Resignation of 2021. We understand you need better ways to respond to challenges such as reducing turnover, attracting qualified candidates, and developing those hard-to-find skills among your current employee base. You might also need a tool to help managers accurately forecast hiring needs as the organization scales.

"Every company can do more in this area. As businesses acquire more and more data on employees and contractors — regarding each person's skills, performance, potential, and ability to learn new skills and take on new roles — people analytics must be applied across the spectrum of HR activities. People analytics technology will enable companies to do a far better job of recruiting, deploying, developing, and retaining talent, at a lower cost. We know of no company that is fully exploiting the workforce information it has. Most organizations have barely scratched the surface."
— Harvard Business Review[1]

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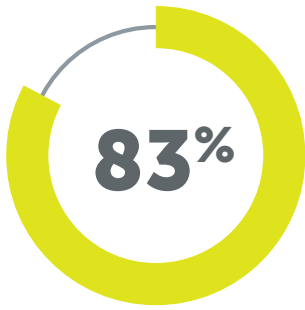
83% of companies do not use advanced people analytics

Josh Bersin's 2022 HR Predictions[2] show that while 83% of companies do not use advanced people analytics, **companies that use advanced people analytics are:**

4.3x more likely to create a sense of belonging

4.8x more likely to be seen as a great place to work

7.3x more likely to engage and retain employees

They are also:

2.6x more likely to exceed financial targets

6.7x more likely to adapt well to change

7.7x more likely to innovate

HR's Key Questions to Consider

Before you begin, you need to ask yourself and your team members some key questions about your organization's needs and wants.

Why are you looking for a people analytics solution?

Why you are looking for a people analytics solution makes a big difference in finding the solution that's right for you. Are you lacking the targeted people insights from your current HR solution that your various audiences need? Do you struggle with the process of extracting, cleaning, and merging datasets from your disparate people ecosystem? What about predictive analytics and easy-to-use data discovery tools? The answers to these questions will play a role in dictating your choices and decisions.

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What are the parameters for your solution? For instance, does it need to be end to end across the workforce life cycle or should it focus on a specific process area like talent acquisition?

Knowing what you need from a people analytics solution is more than thinking about what you need today. You also need to think about whether it will grow and scale with your workforce needs. As your program grows, what you need today must also feed what you will need in the future.

Does it need to be scalable and low maintenance (e.g., cloud-based, Software-as-a-Service)?

Thinking about your software infrastructure is important. Do you have the capacity to house your own software and then staff people to continuously maintain it? Or is a cloud-based, Software-as-a-Service solution better for you?

Who will use your solution? Will it need to deliver targeted insights to specific managers?

This is important. You need more than a solution that delivers data only to one person who then puts it in a static PowerPoint presentation to deliver it to the C-suite. You have a lot of usable data. You need to figure out who needs that data to help your organization get the best ROI and drive real business change. Is your vision to put the data at the fingertips of your managers?

How will you gain user adoption? How will you track usage and value?

After understanding who can best benefit from getting the dormant information you have stored out of your people systems, you need to think about adoption. Adoption goes beyond merely training employees on the new tool. You need to ensure the tool is actually easy and useful for managers and employees who are using it to take action. Sometimes user adoption is as simple as including them in the decision process, such as trials and getting input before the rollout.

How will you track usage and value? You will need to be able to show ROI for your investment. You need to understand how to track usage and translate that to value in order to maintain and grow your program.

"Most companies have an IT organization, but they haven't thought of the possibilities of decoupling the 'I' from the 'T' and managing information and technology as separate assets."
— Doug Laney, author, *Infonomics*

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Can you build your own solution? And should you?

Building your own solution may be feasible if you have a team of talented developers focused solely on the project and a people analytics team focused on project managing the team. Should you build or should you buy? It depends on the time, talent, and budget you have for the project. We'll talk more about this in the next section.

Levels of People Analytics Solutions

We've identified four levels of solutions to evaluate. You may find yourself already using one or more of these, but if you are looking for something new, consider the next level of solutions to improve and grow your people analytics program.

Legacy and uncoupled HR systems

This is the very beginning of using people analytics. But it's oftentimes lacking and only generates reports that are disjointed and do not seem actionable. In fact, it's a struggle to get anything meaningful out of your people data when it's locked up in your HR system. We have an e-book that addresses this problem. You can get it here.

In-house and DIY

Most organizations have some level of HR analysis and reporting in-house. If you are looking at solutions, it's safe to assume you may be considering whether it's better to spend your time developing a custom solution using the tools your IT department supports. This may make sense if you have extremely unique business needs, an almost endless supply of talent with the functional and technical skills needed, and a team with deep human resources expertise.

We believe buying is the best option if you want a robust system and a painless, expertly crafted solution that is ready and available to use today. The cost-to-value ratio of buying will far outweigh building an inferior solution that will continually need to be maintained.

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Basic vendor solution

A basic people analytics software solution is a good starting point but may have fewer integrations that are less accessible. While many of these entry-level solutions give you visibility into basic metrics such as head count, hires, terminations, and movements, they do so based on month-end, quarterly, or even annual snapshots that you still have to produce yourself by downloading, merging, cleaning, and transferring your datasets to their site for processing. There are some basic solutions that give you a solid start on your people analytics program. But you may want to ensure they are scalable as your program advances.

Advanced end-to-end vendor solution

The highest level of solution provides not only the basics for people analytics consolidation but also curates insights and mobilizes them into a discoverable point of truth. The information is always available, up to date, and ready at your fingertips. This type of solution is a full-scope people plus business analytics solution that targets insights directly to those who need them most. A key part of this solution is building and managing the data pipeline between your HR and business systems, and curating rich insights that can be securely distributed to a variety of user groups. These solutions have rich discovery capabilities, personalized dashboards, and a focus on answering business questions using your people data. You readily have insight into what is happening across your workforce yesterday, today, and tomorrow. Predictive analytics using machine learning and AI techniques help you understand why so you can take action where needed.

"Companies have tons and tons of data, but [success] isn't about data collection, it's about data management and insight."

— Prashanth Southekal, business analytics author, professor, head of the Data for Business Performance Institute

Most Pressing People Challenges

When it comes to introducing change — like a new people analytics software solution — it's important not to make the buying decision in a bubble. You know your needs, but you also need to understand the needs of your colleagues. Here are some steps to take:

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## To identify the business challenges, you need to ask the right questions and collaborate with colleagues

Here's a set of common questions HR teams can investigate:

Workforce planning: What are the staffing needs of the business over the next two to three years? What will our workforce budgets need to be to accommodate the need?

Leadership diversity: What is the ratio of diverse to non-diverse leaders? Where are the best internal and external candidates to close the gaps?

Pay equity: What are the pay ranges by position between genders and diverse groups? What are the promotion trends and opportunities between the same?

Talent sourcing: What is our quality of hire for current applicant sources? Which sources can we leverage to maximize candidate success?

You may also want to ask stakeholders:

What's the biggest people problem you struggle with?

What type of information do you need from us to help you solve that problem?

How and when will you know if the problem is solved?

Once you clarify the business question, summarize it, write it down, and get an agreement from the team involved in the buying process. Gartner[3] calls this step "consensus creation." During consensus creation, you'll need to build a shared understanding of the problem among the team involved.

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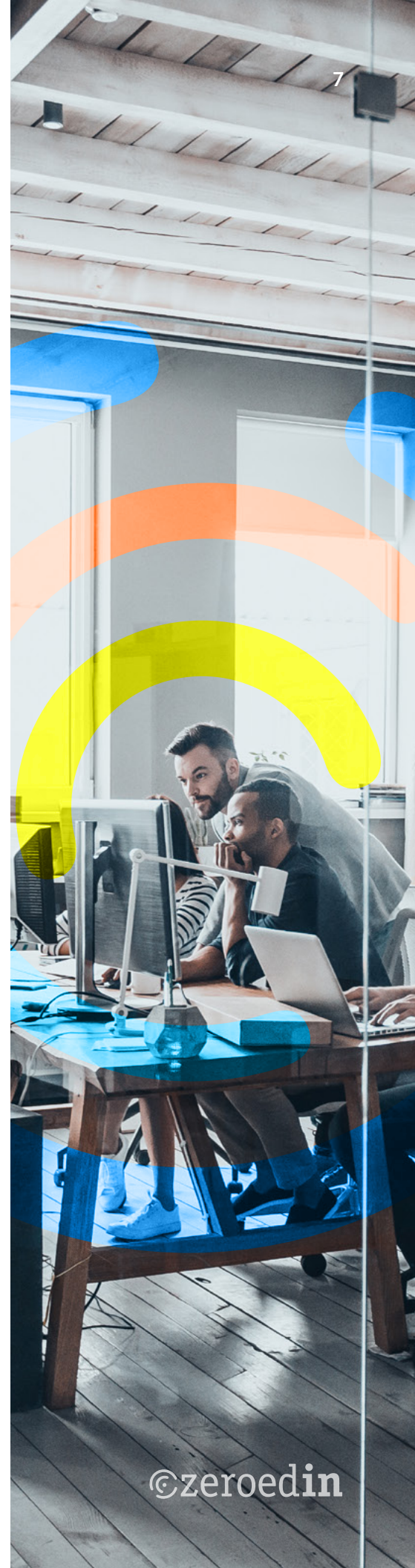
Collaboration

Through collaboration, you'll be able to frame the business question — whether that question is about how to increase engagement, reduce turnover, improve the employee experience, or anything else.

Because a people analytics tool is an organization-wide solution, it's crucial to understand the company-wide problems it needs to solve. To develop this understanding, liaise with key stakeholders, including:

- **Executive team:** The executive team will want to understand the ROI and business advantages of people analytics and how it feeds into overall business goals. They'll also want to know how it'll easily give them information important to them.

- **HR business partners:** HR biz partners work closely with the business, understand their workforce challenges, and use workforce data to craft solutions to help their internal customers solve them.

- **Line managers:** Managers work closely with employees, understand their daily priorities, and know how their tasks relate to company strategy. Trends and benchmarks can help them make sound decisions about promotions and succession.

- **Employees:** It's important to be open with employees about the intention to use people analytics software and potential data privacy and ethical concerns. Take the time to understand their concerns, and explain how the software will make their working lives better.

- **Finance:** Tighter collaboration between HR and finance ensures both business functions can boost headcount planning and create an accurate skills gaps analysis to inform hiring. Leverage the needs of finance to recruit them as a stakeholder to your project.

"Effectively, change is almost impossible without ... collaboration, cooperation, and consensus.
**— Simon Mainwaring, Brand Futurist, Author**

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Most Pressing People Requirements

People analytics software helps HR take action and meet the goals of its biggest challenges. Reducing turnover and managing diversity are just a couple of those. Every organization has different needs. Maybe you want a tool to accurately forecast hiring needs or one that makes it easy to share important information.

Here's how people analytics solves some common business problems:

✓ **Absenteeism/presenteeism:** For decades, Gallup research[4] has shown that engaged workplaces see lower absenteeism and presenteeism. People analytics software lets you compare and analyze engagement and absentee data. This analysis will enable you to spot trends to understand if certain departments perform better or worse than the company average.

✓ **Retention/turnover:[5]** Using a people analytics tool, you might discover a group of the employees who left were employees who were under one manager, or never promoted, or simply stagnant. Armed with that data, your people analytics solution can help leadership and managers find the root cause of turnover and implement change. Calculating the cost of turnover and the potential savings in reducing it through better insight and analysis is a key input to your business justification.

✓ **Skills gaps:[6]** In a recent survey,[7] **87%** of managers said they either are experiencing gaps now or expect them within a few years. Meanwhile, Gartner suggests HR professionals using people analytics software can help to easily identify gaps they need to close based on the business's growth, predicted turnover, and promotion. With people analytics software, you'll also be able to visualize the structural impact of those changes before committing.
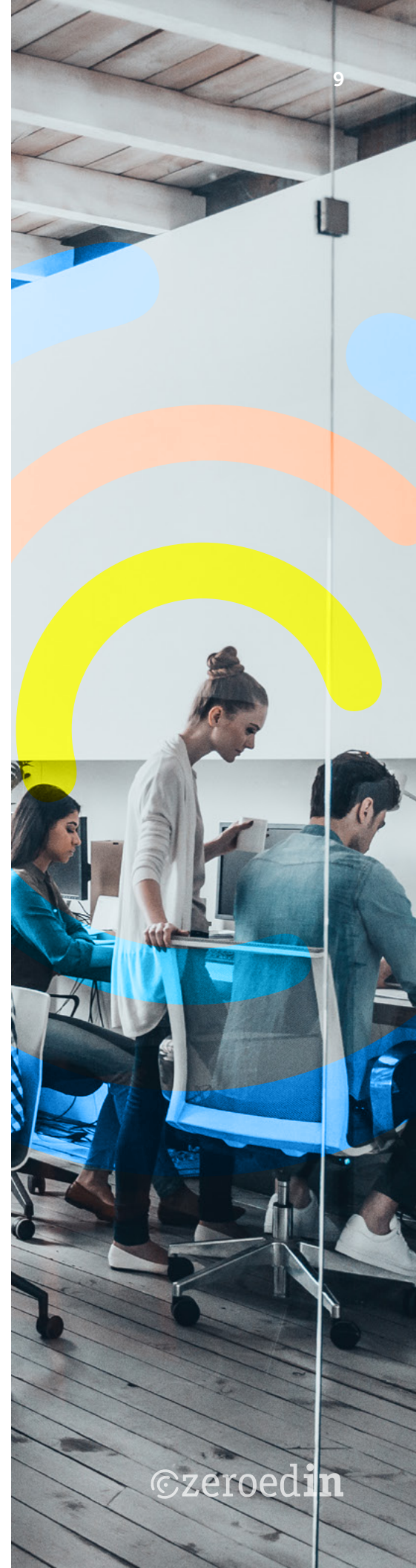
Pay equity: Salary data[8] reveals that racial and gender wage gaps persist. A study from *Equality, Diversity and Inclusion: An International Journal*[9] found when people perceived pay inequity, they were less productive and committed to the organization. People analytics software allows you to conduct a detailed pay audit to identify pay disparities in the company. Once you understand where the inequities are, you can put a plan in place to close those gaps.

Understand What Product Features Best Help You Solve the Problem

Here are some examples of common and important product features and what problems they solve for:

Automated data pipeline

What you need is an easy way to extract data from all your solutions and be able to scrub and unify it based on logic and rules. With automation, you can save hours gathering information from disparate sources, not to mention the additional time required to clean and format it.

Curated insights

Not every person needs to see all the data. It's simply not sustainable as managers struggle to get work done. They want to know what is important to them so that they can take action. The software you choose should be able to curate meaningful metrics and insights based on the person who needs it to make decisions.

Dashboard creation and distribution

How the data is presented can make a huge difference in the user experience and user adoption. The last thing you want is to go through the buying process and discover that the dashboards or mobile experiences aren't easy or helpful to the end user. While turnkey, ready-made dashboards will save you time, they also should be configurable and extensible to your needs.

"Without clean data, or clean enough data, your data science is worthless."
— Michael Stonebraker, adjunct professor, MIT

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Discovery, trends, and comparisons

With all of your data in one place, easily sourceable and deciphered, you need software that will help you to discover answers to your people analytics problems, help you see trends and patterns, and give you comparisons so that you can make actionable decisions.

Easy-to-understand visualizations

Sexy and sophisticated does not always equate to easy to understand. Data visualizations need to easily tell the story they are depicting. You shouldn't have to be a data scientist or technical analyst to understand what the chart, graph, or table is depicting. Simple things like colors are a powerful part of data communication, but when used poorly, they can obscure and confuse. There is art and technique to selecting the right charts and graphs to tell the story.

Personalization and extensibility

One size does not fit all. You need a solution you can tailor and personalize to your own needs. Whether that means incorporating data sets specific to your company or creating dashboards and views based on the way your company works, being able to make the system adapt to you and not the other way around can be valuable.

Report creation and scheduling

No matter what size of business you work in, you need to be able to create reports based on different data sets. They should be templated, parameterized, and easy for non-technical users to run. A good people analytics solution will drastically reduce the time and effort you spend today on ad hoc reporting requests from the business. It would also be important to have software where you can schedule recurring reports so that you can reduce redundancy.

Security and data filtering

Security of the data is a very important point. How does the solution keep the data secure? How does it filter so that the wrong person doesn't get information they shouldn't have. A solution with a role-based plus a row- and field-level security model can be your answer.

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Predictive modeling and data sciences

Most people analytics solutions provide some type of predictive model for attrition such as a flight risk indicator. But is the model one-size-fits-all and "trained" using an aggregate dataset of all of the vendor's clients, or is the model "trained" exclusively using your dataset? Can the model be extended to include factors and inputs specific to your business? Is the model a "black box" with little to no transparency as to the logic behind it? Do the predictive algorithms and techniques used just output a probability score, or do they also explain what factors were the highest contributors to each score? These are all important questions to ask.

Some vendors may provide data science assistance and consulting to create additional predictive models for other use cases. Some may provide a complete "white glove" analytics concierge service to help you get the most value from your investment in people analytics. Understand your options and what you get with the vendors you are evaluating.

Our Vendor Evaluation Checklist

When you've selected the software solutions you would like to compare, write them in on the grid on the following page to give yourself a quick and easy way to compare and contrast them. Fill out this grid during your scheduled vendor demos and you'll come away with an "apples to apples" comparison.

"I think you can have a ridiculously enormous and complex data set, but if you have the right tools and methodology, then it's not a problem."
— **Aaron Koblin, entrepreneur in data and digital technologies**

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Features/Benefits	ZeroedIn			
Easy to implement	✓			
Easy to use	✓			
100s of curated HR and business metrics	✓			
Standard dashboards	✓			
Custom user-created dashboards	✓			
Role-based security	✓			
Row- and field-level security	✓			
Configurable alert monitoring	✓			
Personalized views saved as favorites	✓			
Drill down to employee level	✓			
Configurable chart styles	✓			
Storytelling with data	✓			
Built-in predictive models	✓			
Explainable AI	✓			
Drag-and-drop report writer	✓			
Scheduled reporting	✓			
Data science as a service	✓			
Helps clean up dirty HR data	✓			
Conduct employee life cycle surveys	✓			
Incorporates external benchmarks	✓			
Compare and correlate non-HR datasets	✓			

Keys to Getting the Most Out of Your Demos
You want to get the most out of your demos. We have three keys to help:

KEY 1

Come prepared

Be prepared by bringing use cases and scenarios that are important to you. Ask the vendor to show you how they handle the use case. Study the solutions page of the vendor. Have your worksheets ready and compare what they say on their website. If you can, check out reviews and case studies to see what others think of the software and the pain points they solved. Look for solutions that help with your pain points.

KEY 2

Ask questions

This seems simple enough but can be difficult to do. Oftentimes demos are quick, the presenter is well versed in the software and seemingly floats from point to point. Ask them to slow down. Think about how it will look when you start to use it. Ask about how it solves your current pain points, why they have parts of a solution you never thought about, how you can integrate it into your current workflows, and how it will grow as your processes grow.

KEY 3

Record the demo

Ask if you can record the demo, or if they have a similar pre-recorded one you can access later. That way, you can go back and review it. Once you've seen three demos, it might be difficult to remember some specifics or differentiators for each solution. If you have a recording, you can go back and it will spark your memory of what they offer and how it helps you get the real business outcomes you're looking for.

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Assessment:

People analytics system needs

Take note of your system needs here:

Current business challenges and pain points

Take note of your challenges and pain points here:

Change management challenges

Take note of your change management needs here:

Assessment:

Current state of people analytics

Take note of your current needs here:

Values and culture

Take note of your values and culture that tie into people analytics needs here:

Current tech stack

Take note of your current tech stack here:

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Identify key people, timelines, and budget:

Key people

Take note of your key people needs here:

List of stakeholders

Take note of your stakeholders here:

Stakeholder questions, answers, and key points

Take note of your stakeholder questions, answers, and key points here:

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Identify key people, timelines, and budget:

Realistic timeline

Create a simple timeline here:

Budget notes

Take note of your budget needs here:

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Implementation and support

Ask about implementation timelines and support before, during, and after implementation. What are the key implementation steps being proposed? Take notes here:

Integrations and APIs

Be sure to list needed integrations and APIs. Identify where your people data currently exists and whether you're already extracting data from it on a regular basis. Take notes here:

Vendor evaluation and business case builder

Here is a place to take notes as you evaluate vendors. Will you be comparing only end-to-end SaaS people analytics solutions? Build-it-yourself BI and charting solutions? Solutions available as part of your HR solution? Or a mix of all of these? Take notes here:

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We also have a great resource to help you build your business case: [Business Case Builder](#)

ROI

Here is a place to take notes on what ROI you want to achieve and how each vendor addresses that ROI.

What will a successful implementation and rollout look like? Take notes here:

Your Best People Analytics Software Offers Your Best Business Results

You've done a lot of work as we've taken you step by step through the process of discovering and purchasing the right people analytics software for your business.

It's time to take the next step. Ensure you've asked for input from managers and team leaders then talk to decision-makers. Once you've done the work, you'll be on your way to finding the best people analytics software that's right for you.

With the right solution, getting started doesn't have to be difficult. Contact us today to learn about our end-to-end people analytics solution that quickly and effortlessly delivers workforce insights to the people in your organization who need them most.

Stop struggling with people analytics. Eliminate your headaches and liberate your people data with the people analytics solution that curates insights and mobilizes them into a discoverable point of truth for your organization — **ZeroedIn.**

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