

No Need to Panic

Technology-conference presenter offers this expert situational analysis: Life after PeopleSoft is what we make it.

By Jason Averbook

During the past 28 months, and especially the last nine months since the acquisition of PeopleSoft by Oracle, analysts, users and executives around the world have been waiting for the hammer to drop on PeopleSoft customers. Organizations feared, and still do, that Oracle would stop supporting PeopleSoft applications even though promises were made to the contrary.

Customers worried, and still do, that Oracle would make them convert from their existing database to the Oracle database even though promises were made to the contrary. Dedicated users of PeopleSoft HRMS were furious, and still are, thinking development to the PeopleSoft HRMS platform would be halted, even though promises were made to the contrary.

The FUD (fear, uncertainty and doubt) surrounding the acquisition of PeopleSoft by Oracle has created more than 15,000 media stories, countless letters and visits to Pleasanton and Redwood Shores, Calif., and endless numbers of internal discussions with agendas entitled, "What Should We Do Now?"

While we are still in the early days of the combined company, we have realized that not much has changed over the last 28 months since Oracle launched its bid for PeopleSoft. Twenty-eight months is a lot of time and many HR organizations have stalled their investments and strategic deployments of technology, whether they be PeopleSoft or other solutions, waiting to hear what Oracle is going to do in the future.

If executives within organizations waited 28 months to put a strategy in place or sell off a business unit, the company would suffer irreparable harm. It is time for HR users and executives at PeopleSoft-equipped companies to revisit the reason they have invested millions of dollars in the platform. The reason to invest those dollars should have been to become more strategic. Let's get back on the tracks we were on--driving HR to new heights--and focus our efforts around technology investments towards strategy, not sabotage.

The Pros of PeopleSoft

PeopleSoft HRMS came along as a solution for HR users to manage their workforce using a single, global database and a technology that was scalable and reliable. As the PeopleSoft footprint of products continued to grow, organizations worldwide licensed the software to roll out functionality that was specific to the part of the world where their workforce was located.

PeopleSoft HRMS delivered some of the first views of employees and managers accessing and managing their own information through self-service collaborative applications and continued to focus on helping organizations understand the value of automating the transactional portions of human resources so they could focus on trying to be more strategic.

This HRMS, the de-facto standard in procuring an HRMS solution in the 5,000-employee-and-above market worldwide, came through with just what it was meant to for its time--delivering a world-class application that was scalable and deployable to millions of users worldwide installed at a customer's site. Of course, implementations were costly and difficult, and there were many organizations that never realized the "nirvana" of strategy that PeopleSoft HRMS had promised, but they always held hope and knew they would get there.

The PeopleSoft system has also served the HR community in some not-so-positive ways as well. Organizations were often caught in a cycle that forced upgrades to gain access to new functionality to meet strategic goals.

As more and more companies were forced to realize the expense of upgrading their HR and payroll applications to gain access to new functionality that they thought they were getting to begin with, many started to question whether they would ever reach their HR technology goals. Along with the upgrade dilemma came the issue of shelf-ware, which drove many organizations to question the value of the PeopleSoft HRMS solution and start looking elsewhere for "point" solutions that could fill a functionality or usability gap.

PeopleSoft HRMS gave us a new hope for HR--the hope that someday HR professionals would be able to focus on the strategic portions of their jobs; the portions that create shareholder value for their organization, and not simply push paper through a system. At the same time, the company made us start looking for answers beyond what it could provide for solutions to specific, strategic needs within the organization.

Today and Tomorrow

Today, we are at a point where the intersection of technology, the knowledge economy and the trend of outsourcing creates an explosive moment in time for human resources. HR and HRIS have been focusing on building a solid, automated foundation for their solutions, as well as working diligently to push this functionality out to users so they can access their own information.

Enter new variables such as application-service providers, Web services and the pervasiveness of the Internet. Add the knowledge economy, which continues to show us that we have focused our automation and optimization efforts in the past 50 years much more on machines than our most important asset, our people. And let's not forget the fact that executives continue to feel outside organizations can manage HR better than we can internally.

We are at a point where, as HR and HRIS professionals, we must stand up, take responsibility and praise for what we have done, and quickly realize that our destiny is in our own hands as we take HR into the future. It is not in the hands of Oracle, not in the hands of SAP, not in the hands of outsourcers and not in the hands of point solutions. It is our responsibility to become educated about our options and make responsible decisions around upgrading, support, licensing ASP solutions and proving value within our organization.

We all should be asking ourselves, if we are not proving value--which means driving new top-line growth using our workforce and workforce technology--why are we doing what we are doing? Of course, we need to comply with the "regs and legs" of the world, but let's do that by thinking about how to make our efforts align with the goals and objectives of the company. Unlike in the past when many people said, "PeopleSoft doesn't offer that yet; let's wait until the next release," we cannot afford to wait today and must find a solution to drive value and prove HR has what it takes to be a strategic lever internally.

We are already seeing new trends emerging in the HR technology world, such as the convergence of learning and HR departments worldwide. There are new categories of applications sprouting up such as talent management application suites, or what others call talent management or strategic human capital management. There are new HRMS solutions emerging that offer to eliminate the costly upgrades and deliver an on-demand approach to HR such as Workday or Sapien software. And the question of whether to outsource the HR function continues to be asked in companies on a frequent basis.

The most important questions to ask today should be, "Do I have a plan as to how all of these technologies work together today, and what is my application strategy into the future?" and, "Are we really aligning our HR technology efforts to the goals and objectives of the business?" You are faced daily with promotions to switch from PeopleSoft to SAP.

There are reasons you might do this, but for most organizations, a move like this could set HR back three to five years. You see messages such as replace PeopleSoft with a point solution. Once again, there are reasons you might do this, but you should approach such a decision with a plan in place as to how that investment will help today and what its long-term impact will be.

Most important of all, don't panic! It's my belief that you have a solid foundation in place with your PeopleSoft HRMS. In my estimation, Oracle is doing a very credible job keeping PeopleSoft HRMS customers happy and supporting the existing foundation. You might be well-advised to look for ways to extend your PeopleSoft investment, not replace it. Most definitely, you should be looking for ways to become more strategic, not rebuild transactional capabilities.

We are all in this together. HR technology will continue to play a more important role in building the economy of the 21st century. We are at a point where the decisions we make will determine the health and wealth of our organizations. Don't panic, create a long-term plan and, finally, think strategy, not sabotage.

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