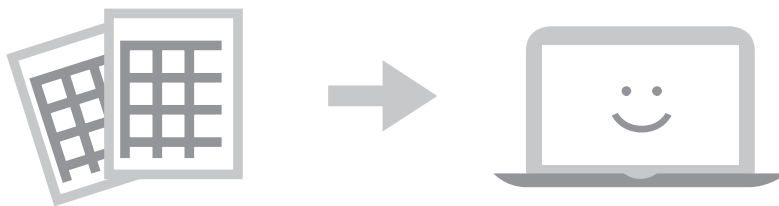


# Why and When to Get Out of Spreadsheets and into HR Software

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And what to look for when you're making the switch



In this whitepaper we recognize the practice of using spreadsheets to track employee data, and discuss when and why it makes sense to start using dedicated HR software and the benefits. We focus on small and medium businesses and review a checklist of what to look for when considering HR software for your organization.

*This whitepaper is written for HR practitioners, managers, or directors as well as Owners, CEOs, Presidents, and CIOs who should be involved in this decision.*

## Out With The Old, In With The New

Spreadsheets have been the standard way to manage data since the 1980's with Apple's VisiCalc, Lotus 1-2-3, and eventually Microsoft's Office Suite. Today we know that, up to a certain point, spreadsheets are good enough to meet basic needs and have immediate practical value for HR. However, at a certain point, they no longer do the trick. Instead, they become a pain and a liability; fortunately spreadsheets are not the standard anymore.

A recent survey shows that 60% of the Hospitality industry, 73% of the Healthcare industry, and 86% of the Technology industry currently use some type of human resource software. This shows that the majority of organizations have figured out they don't have to use spreadsheets as a standard for managing HR. Instead, HR software has become the new standard.

So, if you are still using spreadsheets to track employee data, you need to ask yourself—why? Then start evaluating when you will transition from spreadsheets to human resource software. Following are a few points to consider when deciding why and when your organization needs to make the switch.

### Five Reasons Spreadsheets Stink

1. *A Waste of Time*
2. *Inaccurate*
3. *No Reporting Capabilities*
4. *Lack of Security*
5. *Not Universal*

## Five Reasons Spreadsheets Stink



**1. A Waste of Time.** When an organization reaches ten employees, multiple locations, remote employees, or has more than the average amount of tracking needs (certifications, trainings, drug testing, etc.), tracking and analyzing data from multiple sources overwhelms the functionality of spreadsheets. These highly trained HR professionals then have to compensate with their time, spending up to 80% doing paperwork instead of value-added activities.



**2. Inaccuracy.** Studies show that more than 90% of company spreadsheets used to manage data have significant errors. Even if yours only have a few errors, it's still a big deal when you're basing business decisions off of your spreadsheet analysis. Data that is used to better your workforce needs to be trusted, or it's useless. When asked about compliance issues, almost 50% of survey respondents replied that they did not feel confident about their data accuracy.

Inaccurate data can lead to embarrassment, non-compliance, and even litigation which requires accurate documentation—missing spreadsheet data, or undocumented employee history will not help (on average over 400 employment-related lawsuits are filed every day, and recent years have seen over 50% of companies have lawsuits filed against them).



**3. No Reporting Capabilities.** Generating reports from spreadsheets can take hours, or in worst cases...days, and by that time the information needed from the report is often irrelevant. Even if you take the time to generate a report from a spreadsheet database, it's difficult to go beyond basic analytics without being a spreadsheet guru (when the reports you need should be available in minutes).



**4. Lack of Security.** The Human Resources department manages a lot of sensitive data (social security numbers, names, dates, addresses, HIPAA, etc.) in simple, easy-to-copy spreadsheets (with too much of the confidential data in one place). The Federal Trade Commission estimates that 50% of identity theft occurs because employee records weren't taken care of properly (90% of records stolen from businesses are HR records) . Not only that, but paper forms in filing cabinets, or even digital files in one location, are susceptible to fire, flood, and other disasters.



**5. Not Universal.** There's no standard way to enter, organize, and analyze a data silo in spreadsheets. Everyone will do it a little bit different, using various formulas, tabs, sheets, files, etc. It can become a complicated process, even when the highest of spreadsheet standards are met—especially if your HR manager leaves (with the key to their system in her head) . So when someone other than the creator or administrator comes in, updating, revising, or simply understanding the data can be an impossible task.

## So, What Are Spreadsheets Costing You?

They're costing you time, and they're putting you at risk. Compliance and other litigation issues, due to security breaches or inaccuracies, can cost hundreds of thousands of dollars. Employees can sue, and governments can fine for incidents resulting from neglected records.

And whether or not you're at risk legally, if you're using spreadsheets to manage data, you're losing money in opportunity cost. HR software often can cut administrative duties in half. That saves the average HR person 16 hours per week—\$320.00 per week, or \$16,000.00 per year (based on a \$40k salary).

An organization can save thousands of dollars by switching to HR software, because it can cut administrative tasks in half and allow HR professionals more time to focus on value-add activities like improving hiring practices, training programs, and performance management.



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## What To Look For When You Make The Switch

When transitioning from spreadsheets and paper forms to human resource software, it is important to carefully evaluate features and match them with your organization's needs. Below is a checklist of the *right* features for small and medium businesses.

*First, it needs to actually be better than a spreadsheet. Its ability to simplify tasks and store data should save your organization from time in administration, not complicate it. This will allow HR to focus on people, not "hunting down a missing benefit eligibility date." Following are a few of the features to look for:*

**Comprehensive Core System of Record.** Allows all employee data (address, SSN, certifications, etc.) to be consolidated into a single database. No more wasted time searching, gathering, and compiling information scattered across dozens of spreadsheets and forms.

**Employee and Manager Self Service.** Grants employees and managers remote secure access to employee data (personal information, time off, benefits, and training). This empowers employees and managers to view, update, and securely manage select employee data independently, freeing HR from countless service calls and emails.

**Easy Reporting.** Built-in and custom reports provide immediate access to employee data. Eliminates hours spent pouring over spreadsheets compiling info for reports such as turnover rate, additions and terminations, time off, employee census, and more.

**Email Alerts.** Built-in and custom email alerts can be automatically sent to administrators, managers, and employees to update benefit eligibility, birthdays, license expirations, and training renewals. Saves hours not having to manually update spreadsheets and calendars or miss critical deadlines.

*Second, it does not need high-end enterprise features, instead it should contain the features specifically designed for small, medium, and growing companies. It shouldn't have features that are not used, or already handled well by a handful of well-established vendors (like payroll)—so you do not pay for features you don't need. Following are several valued key features:*

**Individual Customization.** Allows you to create the fields, tables, and tabs specific to your business needs and preferences. Maintains the flexibility of spreadsheets, with the automation of a top HR application.

**Custom User Groups.** Administrators can assign customized read/write access levels for individuals, or groups of employees. Allows you to easily show or hide confidential HIPPA docs, dates of birth, SSN's, and other personal information.

**Time-Off Tracking.** Can create multiple custom accrual policies and time-off types (sick, bereavement, jury duty, FMLA, vacation, etc.). Employees and managers can track, request, and manage all aspects of time off, includes online workflow approval process.

**Training Management.** Tracks required training by division, location, department, and job title, including ad hoc and optional trainings. View expiring, renewing, and incomplete training at a glance.

- The software needs to actually be better than a spreadsheet.
- It does not need high-end enterprise features.
- The interface should be clean, fast and efficient.
- It should also have the most competitive price with the right features.
- Choose the provider with the absolute best support possible.

**Benefit Tracking.** Allows you to identify who is enrolled, benefit status, eligibility, effective dates (with alert), plan and coverage type, employee and company contribution, including a benefit change history (audit trail). All combined in a single database where it is easy to view and generate quick reports, versus numerous disconnected spreadsheets.

**Integrated Add-On-Modules.** For additional features, it should seamlessly integrate with multiple systems (such as for payroll, applicant tracking, benefit enrollment software, performance reviews, etc.)—unlike other systems that require a tedious manual import or export to enter the data or remove duplicates.

*The interface should be clean, fast, and efficient. It should include powerful import and export capabilities. Reports should be generated with a few clicks of the mouse and custom fields should be created in seconds. It should also have a dashboard layout that can be adjusted with drag and drop capabilities, and graphical charts to make interpreting data a breeze.*

**Anywhere Access.** Employees and managers can securely access the database from home, the office, or while traveling.

**Data Export Wizard.** Exports data to Excel, CSV, or PDF formats in seconds. This helps you to easily share and manipulate the data as needed.

**Filtering, Sorting, and Searching.** Automatically calls up data with the click of a mouse or entry into the search bar as opposed to browsing pages of spreadsheets, saving hours of time.

**Power Edits.** Updates multiple employee records by type and/or fields (recording group training, changed providers, etc.) at the same time. Saves hours of tedious data entry.

**Configurable Layout.** Drag and drop dashboard modules, tabs, and fields to customize your saved layout and provide the exact information needed at a glance.

**Effortless Navigation.** Tabs, tables, and fields should be organized so that buttons and functions are on relevant pages, not hidden in layers of pull down menus and window boxes (e.g. export button is ready to go on all reports pages).



*It should also have the most competitive price with the right features (no more, no less) used by most small to mid-sized companies.*

**No Hidden Fees.** Charges a monthly subscription fee based on size of business, and a one-time import/configuration fee. No extra charge for additional administrators, enhanced features, customizations, updates, or support.

**Unlimited Employee and Manager Access.** Rates are based on number of employees, with no extra cost for unlimited Employee Self Service (ESS) or unlimited Manager Self Service (MSS).

**No Cost for New Features.** Extra functions and enhancements are developed and released on a regular basis. These updates and improvements are automatically implemented for free.

**Free Support.** Support should not cost extra. Customers should have the freedom to call or email anytime, with self-help such as videos, step-by-step tutorials, or the ability to attend a webinar to quickly learn more.

**No Charge For Inactive Employees.** Should keep track of entire record of terminated or inactive employees but should not calculate them into the monthly rate. It should retain valuable records and data for past employees without having to pay extra.

**Data Migration.** Your organization should be guided through a custom implementation process (including importing and customizing to your specific needs). This ensures a smooth and quick transition from spreadsheets and other systems—so you get immediate benefits.

**Global Settings.** Multi-currency support should be available for all popular currencies (US, Canadian, Euro, Yen, etc.) . Also settings for date, number format, country, and time zone should be an option. These capabilities help smaller to medium businesses manage local and international locations with ease.

*Choose the provider with the absolute best support possible. Every business is entitled to affordable and comprehensive implementation, free email and phone support, as well as unlimited how-to and informative resources such as white papers, video tutorials, and webinars.*

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**No Download or Installation.** You should consider HR software that is webbased. No one should have to show up on premise for days or weeks at a time to install software on computers or to set up a server. This saves time and money by not having to go through a difficult or costly implementation.

**Free E-mail and Phone Support.** E-mail questions or requests for customizations anytime for free.

**Help Forums, Video Tutorials, Knowledgebase.**

Look for how-to resources, information on updates, and instruction on getting the most out of it. This insures you have all the information you need to utilize the software.

**Training Webinars.** It helps to have step-by-step

instructions available during an online group session. You can sit back and watch, or actively participate and have questions answered quickly.

## So What's Holding You Back?

*Now that you can see some of the advantages of HR software, what's holding you back. Below are a few common questions and answers to help put you at ease:*

**Q: Will the software create more work for me?**

**A:** HR software should do your busy work for you. It should save you countless hours that are usually spent on paperwork, and will let you focus on strategic HR.

**Q: How much does it cost?**

**A:** Every provider is different, so you will want to do your research. When checking prices, be sure to take into consideration the applicable feature set, ease of use, and quality of support to find the price for you.

**Q: What happens to my data if we stop using the software?**

**A:** You always own your data, and your software should be able to export to most popular formats.

**Q: Is my data secured?**

**A:** Most SaaS providers take data security very seriously. If possible, look for military-grade 256-bit SSL encryption where your data is stored behind firewalls.

**Q: How long will it take me to learn the software**

**A:** Good software is intuitive. You'll know it's great if you can get into it with minimal instruction and start navigating around right away. Most people should feel comfortable with their system after a few days. Look for a free trial.

**Q: Can you control what employees can access?**

**A:** You should ensure your software has custom permissions. Then you can regulate which individual, or group of individuals, sees what.

## Picture This...

You are no longer stuck babysitting disconnected spreadsheets. You're using software that is easy for you to input and manage. You now provide on-sight or remote access to anyone—without having to spend all your time replying to e-mails or on the phone. You can whip out reports in seconds, automatically send out e-mail alerts so nobody misses deadlines, update dozens of records at once, all while remaining under budget.

Now you can have all that time to work on strategic initiatives like training, hiring and saving the company money—and then you can go home on time. *Life is good.*

## Where Do I Go From Here?

This white paper was sponsored by BambooHR, the #1 HR software optimized for small and medium businesses. We invite you to:

1. Visit [www.bamboohr.com](http://www.bamboohr.com)
2. View the informative video
3. Attend a live webinar
4. Sign up for a free trial
5. Get a no obligation quote
6. Call us with any questions – 1-801-724-6600

## About BambooHR

For small to mid-sized businesses, BambooHR offers cloud-based HR software that provides simple and accessible tools for managing employee data. Unlike expensive and complicated enterprise HRIS solutions, BambooHR offers an affordable, easy-to-use, customized system for the specific needs of today's companies.

To learn more visit [bamboohr.com](http://bamboohr.com) or call us today at 801-724-6600.



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