



ASIA PACIFIC:

HCMS AND THE SUPERMARKET

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There was a time in Australia when you would have to take a calculator to the supermarket to compare product prices and know if you were getting a good deal. For example, if one product was 350 grams and cost \$4.50 was that better than the 500 gram product charging \$6.80? Of course, the final decision may be based on other factors such as perceived quality difference, product loyalty, or the prettier wrapper. While price isn't always the determining factor, it is nice to know how each product stacks up based on price. Of course, the product should always be checked to ensure it hasn't reached its "Use By" date and, as you can probably guess, I am about to make an analogy with the price of Human Capital Management Systems (HCMS).

Until recently, the HCMS shopper was left to their own means of comparing price, if it wasn't exact quantities, to determine which product represented the best value. Australia has now introduced a requirement that producers use a common measure to enable buyers to compare products based on price. In the supermarket you will see one purchase price for the item and also another price expressed as an equivalent cost for a common unit of measurement. Buyers can see at a glance which product is the cheapest.

In the Technology article of the HRinsights newsletter you can read an article that suggests Human Capital Management Systems can now be compared on price based on functional quantity (not quality) as a percentage of HCMS buyers requirements to calculate a ratio or factor that can be used as a base for comparison. Maybe the Australian supermarket experience is an indicator of how it could be done.

The supermarket analogy also reminds us that the “Use By” date on every HCMS product should be checked before buying. Even though we are comparing SaaS products there are still some old products on the shelf that have simply been re-labelled as SaaS: the astute buyer needs to become informed and be able to tell the difference. 🌐

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