Your HR Platform Should Have to Earn Its Renewal



The easiest software purchase to approve is the one nobody calls a purchase. It arrives as a renewal, with last year's scope, a slightly higher price and an account manager who needs an answer by Friday. Someone asks for a discount. Someone else confirms there's money in the budget. The agreement rolls forward.

Meanwhile, HR is still reconciling records in Excel. Managers complete their reviews through email because the workflow is awkward, and a payroll administrator knows which integration errors to fix before anyone notices them. These arrangements have become so familiar that they barely register as a cost of the platform.

That's the problem with evaluating a renewal against the previous invoice. The organization can negotiate a better price while continuing to buy an expensive way of working.

HR should reopen the business case. What work does the platform help people complete? What effort does it consume? Can the employer retrieve and explain the records it relies on? Those questions deserve answers before another term becomes unavoidable. They also produce a much stronger negotiating position than a general complaint that the subscription costs too much.

The Decision Happens Before The Renewal Date

Find the contractual notice deadline first. Everything else depends on how much time remains to act.

A subscription that expires in March may require a decision in December. The agreement may also lock in a minimum number of users, renew for longer than a year or prevent module reductions unless notice arrives through a particular channel. None of that is settled by an account manager's reminder. Gather the signed agreement, order forms, amendments and incorporated online terms, then have the responsible contract owner establish what governs. Pay particular attention to which version of an online policy forms part of the agreement and how the vendor can change it.

Put the deadline beside an earlier internal decision date. HR needs room to

investigate performance, obtain advice and develop a credible alternative. A request for a discount doesn’t suspend automatic renewal, and an unresolved support complaint may have no effect on it either.

If the window is already too short, seek a written extension or a shorter bridge term with clear pricing and obligations. The immediate task may be to preserve continuity while buying enough time for a proper assessment. Pretending a complex migration can happen in three weeks won’t improve the employer’s leverage.

Follow The Work Past The Login Screen

A vendor’s usage dashboard is a starting point. It tells HR where to look, but it can’t establish whether the system earns its place.

Take the workflows that justified the purchase and inspect what happens now. Follow an applicant from submission through interview and closure. Trace a leave request through approval, scheduling and payroll. Retrieve a completed performance review and examine whether the record contains the feedback and approvals the employer expects. Use authorized access and protect personal information throughout. The revealing moment is often where the employee leaves the platform: a spreadsheet to reconcile balances, a message to obtain missing approval, a second application to finish a report.

Ask the person doing that work to show you a difficult case. A straightforward transaction may conceal the problem completely.

There’s an important distinction between a useful safeguard and avoidable duplication. A payroll check may be necessary even in an excellent system; re-entering the same correction into three disconnected records may reflect a design or integration failure. Identify which effort existed before implementation, which arose afterward and which the employer deliberately requires. Otherwise, HR risks blaming the platform for essential controls or accepting unnecessary work as normal administration.

Adoption measures need the same care. Low activity in a records archive may be perfectly appropriate if retrieval is reliable when needed. High activity in a self-service portal can indicate that employees are repeatedly trying to complete a task. Judge each function against its purpose, using the people and transactions actually expected to use it as the denominator.

Where there’s no credible baseline, establish the current position. There’s no need to invent a retrospective saving because the original proposal promised one.

Decide Whether The Problem Can Be Fixed

Before replacing a disappointing system, establish why it disappoints. An unclear approval policy will remain unclear inside new software, and managers who haven’t been given time to provide feedback won’t suddenly do so because the interface changes.

Choose one recurring failure and investigate it with the operational owner, users and vendor. Perhaps the purchased configuration can’t handle the required workflow. Perhaps permissions are wrong, training missed the people who need it or an integration fails whenever a particular field is blank. Those explanations lead to different decisions. Give the team a defined correction to test, a short measurement

period and a result that would demonstrate improvement.

Be particularly cautious when the proposed remedy is an unbuilt feature. A roadmap describes an intention. It becomes useful renewal evidence only when HR understands what will be delivered, when it will be available and what recourse the agreement provides if it doesn’t arrive.

The employer has responsibilities here too. If renewal depends on cleaning data, assigning an internal administrator or retraining supervisors, name the person who will do it and provide the capacity. Without that commitment, an apparently cheaper improvement plan may simply be another year of postponement.

Price The Whole Arrangement

Subscription fees are easy to find. The hours spent maintaining the service usually require a conversation.

Work with finance to assemble external support charges, integration costs, add-on tools and recurring internal administration. Include error correction and reconciliation without treating every minute spent using software as a defect. Then separate spending from the value of employee capacity. Five hours a week at an assumed loaded cost of $60 an hour equals $15,600 across 52 weeks. Eliminating that work releases time; whether it reduces payroll, avoids another hire or enables useful additional work depends on what happens next.

A consistent comparison matters more than an impressive saving. Don’t count the same hours as both reduced labour cost and the full value of extra output.

The illustration below compares three options over three years. All amounts are hypothetical Canadian dollars, with no inflation or discounting, and all three options are assumed to meet the same essential requirements. These are planning assumptions, not vendor quotations or market benchmarks.

Cost component	Renew existing scope	Renegotiate and improve	Replace platform
Annual subscription	$60,000	$52,000	$44,000
Annual external support and integrations	$12,000	$8,000	$6,000
Annual internal administration capacity	$15,600	$7,800	$5,200
One-time cash expenditure	$0	$12,000	$73,000
One-time internal transition capacity	$0	$0	$13,000
Three-year cash expenditure	**$216,000**	**$192,000**	**$223,000**
Three-year total including internal capacity	**$262,800**	**$215,400**	**$251,600**

The replacement has the lowest subscription fee. It also requires $58,000 for implementation and migration, $15,000 for overlapping services and internal transition time valued at $13,000. Once those items enter the comparison, renegotiating and improving the incumbent is $36,200 less expensive over three years on the combined measure.

That advantage is conditional. It assumes the incumbent’s annual support cost falls to $8,000 and administration drops to $7,800. If neither improvement occurs, the renegotiated option rises to $250,800 over three years, almost the same as replacement. A promised workflow improvement therefore matters much more to this decision than another small discount on the licence.

Use that sensitivity in the negotiation. Ask the vendor to demonstrate the correction and document the service commitments behind it. For replacement, test migration duration, data quality and internal support requirements just as closely. Finance should incorporate currency exposure, contract escalators, applicable non-recoverable taxes and, where material, the time value of money.

Some requirements sit outside this tradeoff. A lower total doesn’t make an inaccessible essential workflow or an unacceptable privacy arrangement suitable for approval. Establish those requirements before ranking the viable options by cost.

The Vendor May Be Familiar While The Service Has Changed

A renewal can look routine even after the platform has acquired an AI assistant, changed subcontractors or connected to another analytics service. HR may still be relying on the privacy review completed at purchase, although the data now travels somewhere else or serves a different purpose.

Request a record of material changes since the last assessment. Compare it with the employer’s actual configuration, including support access, backups and integrations. Canadian hosting alone won’t answer where information is accessed or which parties process it. The privacy or legal owner needs enough detail to determine which requirements apply and whether the arrangement still meets them.

Where PIPEDA applies, the employer remains accountable for personal information under its control when it is transferred for processing; contractual or other measures must provide comparable protection. Its employee-information provisions apply to federally regulated businesses. Provincial private-sector laws and public-sector frameworks may govern other workplaces, so a generic assurance of Canadian privacy compliance isn’t an adequate legal assessment.

New AI functions deserve an explicit decision. Drafting a job description is different from ranking applicants or recommending an employment action. Establish what information the feature uses, whether the vendor uses that information for its own purposes and how an affected person can raise an error. Confirm who can enable the function and whether it can be disabled. Test the proposed use with appropriate data before allowing it into consequential work.

Québec’s private-sector privacy law creates specific obligations for decisions based exclusively on automated processing of personal information. These include notice and an opportunity to submit observations to a staff member able to review the decision, with further information available on request. Application depends on the actual process. Québec also requires privacy impact assessment for covered projects to acquire, develop or overhaul information systems involving personal information. A routine renewal doesn’t automatically trigger that project requirement, but an expanded service needs assessment rather than an assumption that the old approval covers it.

Bring privacy, security and legal expertise into these questions while the employer

can still negotiate or change the configuration. Discovering an unacceptable use after signing creates a much harder conversation.

Make The Contract Answer The Operational Problem

A vendor that takes weeks to resolve payroll integration errors presents a different negotiation from one whose product works well but includes unused modules. Bring evidence of the problem and ask for the corresponding change.

For support, that may mean response and resolution commitments, a named escalation route and an agreed remedy. For scope, it may mean removing modules or changing minimum volumes. For a material control gap, legal and security owners may need revised obligations covering incident notification, subcontractors, recovery, audit evidence or liability allocation. Decide which changes are necessary for approval and which are preferences. A long wish list with no priorities makes it easier to concede the terms that matter.

The Canadian Centre for Cyber Security’s cloud contract guidance offers a useful reference on data protection, retrieval, destruction and related security provisions. It isn’t a universal contract template. Have qualified reviewers examine the vendor’s assurance evidence too, including its scope, exceptions and the controls the employer must operate. A report about the service provider won’t establish that HR has configured access appropriately.

Put consequential promises into the governing documents. A helpful account manager can move on, and an email expressing confidence in a future fix may offer much less protection than the renewal decision assumes.

Prove That The Records Can Leave

Ask for an export test before serving notice. It may be the most revealing exercise in the entire review.

A spreadsheet of employee names and current balances isn’t the same as a usable employment record. HR may need attachments, historical versions, approval dates and links between transactions to reconstruct what happened. Select representative records, including a complicated case, export them through an authorized process into secure storage and verify the results against the source. Someone should be able to understand the record without needing the old system to explain it.

Agree on extraction fees, formats, transition assistance and the period of continued access. Determine where retained records will be held and who can retrieve them. Employment standards obligations, pension requirements and legal preservation duties may require different treatment; neither immediate deletion nor indefinite retention is a sound default for everything.

The federal Privacy Commissioner’s September 2026 guidance on assessing third-party providers addresses vendor dependence, data recovery and end-of-contract handling. As of November 10, it remains open for comment until December 4, rather than constituting a new statutory renewal requirement. Its attention to exit arrangements is particularly relevant when the organization has never tried to retrieve a complete record.

Include backups and subcontractors in the agreed retention and deletion arrangements, with appropriate exceptions and verification. If the export test reveals a serious gap, resolve it while there is time. The expiry date won’t make missing records easier to recover.

Give Leadership A Decision It Can Act On

By this point, the recommendation should follow from the evidence. Renew if the platform meets current requirements and demonstrates value. Renegotiate if the service is suitable but its scope, price or commitments need to change. Fund remediation where a defined correction has a credible owner and timetable. Replace when the gap is material and an alternative justifies the transition.

Those choices can overlap. A short renewal may support a controlled migration, while a renegotiated agreement may include a funded improvement programme. What matters is that the approval describes the arrangement the employer is committing to, including its costs, conditions and fallback. An internal remediation plan doesn’t suspend a contractual deadline, and choosing another vendor doesn’t supply the people needed to move.

Keep the decision paper brief. State the notice deadline, the workflows assessed, the verified gaps and the comparison of feasible options. Attach the supporting work, including the contract review and export results. Identify where the recommendation depends on an assumption or an undelivered commitment. HR should explain workforce requirements; finance validates the economics, and the relevant technology, security, privacy, procurement and legal owners assess their responsibilities. The authorized executive then approves the arrangement and any risk the organization can lawfully accept.

There should be one final date in that approval: when someone will check whether the promised improvement happened. If reduced administration made renewal the better investment, measure the hours after the fix.