

The HR software requirements checklist: what to demand

Six to eight must-haves, a short should-have list, and a long ignore list - answered by every vendor in writing before you sit through a demo. The checklist below is written for a UK company of 20 to 150 people. Delete the lines that are not your problem, add your sector's quirks, and send it to your shortlist with the pricing and exit questions left in.

How to use this checklist

Copy it into a document, spend an hour making it yours - the deleting matters as much as the keeping - and then use it three times: to shortlist (vendors answer in writing), to structure each demo (you drive, against the list, not the salesperson's script), and to decide (score only the must-haves; the rest is tie-break). If a line makes you think "do we actually need that?", move it down a tier. The full method is in the buyer's guide.

The checklist

Core jobs (must-have)

- Holiday requests, approvals and balances in one place - and the balances agree with the calendar. [Test with your own leave year and part-timers.]
- Sickness recorded at the point it happens, with return-to-work prompts.
- One employee record per person: contract, documents, emergency contacts, equipment - no side spreadsheets.
- Compliance dates that chase themselves: right-to-work expiry, probation ends, training renewals.
- Expenses submitted with receipts and approved into a payroll-ready export. [Skip if expenses live elsewhere and it works.]
- Some way of hearing how people are doing before the exit interview: surveys, feedback, or both.

UK statutory must-haves

- Statutory leave types handled as first-class types, not "custom leave" workarounds: maternity, paternity, carer's leave, parental bereavement, neonatal care.
- A right-to-work register with expiry dates and reminders.
- Statutory flexible-working requests as a tracked workflow with the response deadline visible.
- Sickness handling that separates the fact of absence (managers see it) from the reason (HR sees it).

Data, GDPR & security

- Subject access: one action exports everything held about a person.
- Retention rules you can set yourself, so leavers' data expires on your schedule.
- A written answer to "where is our data hosted, and in what jurisdiction?"
- A written answer to "who at your company can access our data, and how is that controlled and logged?"
- Two-factor authentication available for every user, not just admins.

Permissions & visibility

- Roles that match reality: employees see their own record, managers see their team, HR sees everyone, finance sees money - and nothing leaks sideways.
- A manager can never see another team's salaries, sickness reasons or survey answers. [Ask the vendor to show you, logged in as a manager.]
- Changes to sensitive data are audit-logged, and the person can see who accessed their record.

Pricing questions - get every answer in writing

- Total first-year cost for our exact headcount, everything included: setup, migration, training, support.
- Is there a seat minimum, and what does the product cost at our size and at 1.5x our size?
- Which of the features in this checklist are extra-cost modules or higher tiers?
- What triggers a price change mid-contract, and what notice do we get?

Vendor & exit questions

- How do we leave? We expect: self-service export of all our data, in usable formats, at any time - including after we stop paying.
- What happens if you shut down? We expect a written notice period with export tooling staying up, committed in the contract.
- Who answers support requests - a person or a bot - and what is the median (not target) response time?
- What does the product not do? [A vendor who answers this plainly is a vendor whose other claims you can believe.]

Should-haves - year one, if someone will own them

- Performance reviews or one-to-ones, if a named person will actually run them.
- Training records and mandatory-course assignment.
- Rotas or timesheets, if hours drive pay in your company.
- Hiring pipeline, if you recruit more than a few times a year.
- Benefits directory and enrolment records.

Ignore for now - revisit in a year

- Anything sold as "AI-powered" that you cannot describe as a job you need done.
- Modules for processes nobody runs today: 9-box grids, succession plans, OKR trees.
- Integrations with tools you do not use yet.
- Anything demoed to you that is "on the roadmap". Buy the product that exists.

Scoring a shortlist without fooling yourself

Score must-haves only, pass or fail - a product that fails a must-have is out, however charming the demo. Where two or three products pass everything, decide on the things the checklist cannot capture: how fast the product felt, whether your least technical manager could use it unaided, and what the vendor's written answers told you about the company behind it. Price settles ties, not races - the gap between UK vendors at this size is real but smaller than the cost of choosing a product people refuse to use. Our cost guide covers the arithmetic and our comparison pages cover the vendors.

A free template from CoDash - codash.co.uk/templates. Edit it to match how your company actually works, and take advice on anything unusual.