Q&A with Chris Vandersluis, President of HMS Software providing Multilingual, Multifunctional, Scalable Project Management and Enterprise Timesheet Systems and Services to Mobile, Global Organizations

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CEOCFO: Mr. Vandersluis, HMS Software has been providing project management and enterprise timesheet systems and services since 1984. What were the actual origins and where are you today?

Mr. Vandersluis: HMS started in 1984 as a partnership between myself and a partner I had at the time. We were young and we saw an opportunity to work with some larger clients in the Montreal, Canada area where we were based. They were looking for project management scheduling software on the PC, which was quite a new idea at the time. Our first client turned out to be Philips Electronics who had Canadian operations in Montreal, and they looked to us to do some research to find the right project management tool to add to their engineering department. That was the origin of HMS and the driving force for the company right up to today. In 1994, ten years later, my partner decided to seek other opportunities and I bought him out of the business. We then transformed the company into a software publisher from what has been primarily a consulting company. In 1994 we launched our first product TimeControl®, which remains our primary focus today. TimeControl really took over HMS and took over our lives. It was something that I would not have guessed in 1984 would be a prevalent product or industry. The idea of TimeControl when we got started was a timesheet that could fulfill multiple purposes and that turned out to be a niche market that had been ideal for us.

CEOCFO: How has technology changed the industry?

Mr. Vandersluis: Technology has changed so many industries. In the timesheet project management business, people have become dependent on project management software to be on the latest technology. What I find interesting is that in every wave of technology starting from the original mainframe computers, one of the leading applications has been project management. Go back to the fifties,
scheduling software was one of the first programs that got applied to mainframe computers for the defense industry and for NASA. The same when you go to mini computers like Digital Equipment's Vax and then again to PCs, which is when we came into the industry. Each new wave has brought us a new evolution of innovation but there is a real demand for people to say we want to see project management and timesheet management as part of that exercise to be on the latest technology. When things came to the web in the late nineties, we were there, because the demand was right there. So now for SaaS and mobile, we are there. I suspect that will continue with whatever the next evolution of technology is.

**CEOCFO:** *What are some of the components of TimeControl®? Is there a mobile app component? What type of hardware or devices that are needed to run it? Is it cloud based?*

**Mr. Vandersluis:** The answer to all those questions is yes. We tried to be more flexible for whatever the plans require. Our TimeControl is a server based browser application, so it can be installed on premise. We have many clients who do install on premise. It also has a version that is cloud based so a client can say we prefer to go with your subscription model and access the timesheet in the cloud. This year for the first time, our cloud-based sales exceed our on-premise sales. So that has accelerated in the last couple of years. There is a mobile component. The TimeControl Mobile App is a free application that is available on Google Play for Android or on the Apple Store for Apple devices. It requires a TimeControl license but it can work with on-premise installations or the cloud implementation. People have the ability to access through their tablets, their phones or through their browser. The clients can opt to install TimeControl internally. A defense client might need that or somebody who works in banking or somebody that has a particular requirement for an on-premise deployment. Whereas others might say please take over all technical work, we would like to work with it in the cloud. When people have access to an application like this, they can choose their device to use it from home. We find that more and more people are using a mobile device like a tablet or phone as their primary access to things. You would not write a long report on your phone because it is awkward. However, if you wanted to just update your timesheet on the train on the way home or if you are out and you forgot to submit it, then this is something that you could get on your phone and take a minute or two to file it, forget it and move on. It is good for people who move around a lot.

**CEOCFO:** *How large is the industry for your product offerings? What is your geographic reach? Is it global or just North America?*

**Mr. Vandersluis:** It is impossible to know the exact size of the market because so much of it is private including ourselves but it is in the hundreds of millions of dollars. That means that we are a niche player in that market and happy with where we are. Our reach has been global. When we started we had this niche idea of a multi-function timesheet, and there were people all over the planet who were interested in that. Therefore, we are sold on every continent but Antarctica. We have clients in Asia, Africa, Australia, and North and South America. Our largest market is North America for sure. We are based in Montreal. We are based in Canada and that is the minority share of our business.

**CEOCFO:** *Would you tell us about your TimeControl product? Does it give enterprises more control than just to know the comings and
goings of the work force? Do you get into the area of Project Management?

Mr. Vandersluis: If you were to look up timesheet online, I am sure you would come back with hundreds of thousands of hits. Every finance system has a timesheet, and the most common kind of timesheet would probably be a Time & Attendance timesheet. That goes all the way back to watching the Flintstones where Fred Flintstone punched a clock on the wall on the way in and out of work. Even today time and attendance are by far the most common kind of timesheets. There are organizations that say they need to know more than how much they spend on people, they need to know where they spend their time. To be effective they need to know this and it is critical. They need activity-based timesheets and that is where project management comes in. Even if you do not do formal project management, you still have an idea of where you would like to spend your time. TimeControl is designed with that activity tracking in mind. We fit in ideally with project management. Our first client was Philips Electronics, and the very first request we got from them was a timesheet that would link up both their project management system and then to payroll, because they did not want to have two timesheets. When we look at prospective clients, one of the things that we often find is that the client has deployed more than one timesheet. In fact, sometimes they have deployed more than three and nobody has that as a goal. Nobody says in the morning, "I have a good idea, let's deploy a bunch of timesheets." However, they have. One group says they really need something for human resources to track time off, and somebody else says they need to do job costing because of Sarbanes-Oxley, another department says they need something for research and development tax credits and Payroll says what about the payroll, we still need to get paid. With TimeControl we will be able to track more than one of those things at one time. I think this is why TimeControl has stood out, for those clients that say that they have two or three timesheets and they would like to get down to one, so why can't they do that? That is our corner of the market.

CEOCFO: The millennial generation is used to using their smartphones for almost everything. They can go to the airports and check-in with their cell phones. Therefore, it is important to keep up with the changes?

Mr. Vandersluis: That is a good comment, because we get a great many organizations who say they have multigenerational employees. They have some employees that expect instant response and being very maneuverable in the way they interact with the corporate systems. For them a traditional timesheet is going to be just irritating. The idea of filling out timesheet one, timesheet two and timesheet three meets with a great deal of resistance and I think rightly so. Therefore, if I can minimize that work in any way, make it automatic in any way, and make it available on your phone so that you do not have to start up a new application, then I think that is all positive.

CEOCFO: Why is TimeControl a first-of-its-kind time management system? What does it offer that other systems do not today?

Mr. Vandersluis: The uniqueness of TimeControl is being able to be multifunctional. It is being able to fulfill those multiple requirements at the same time from the same interface.

CEOCFO: HMS Software has partnerships and alliances with some big name organizations including Microsoft and Oracle. Would you
tell us about some of the ones that you have had the pleasure of negotiating?
Mr. Vandersluis: The thing we like the most is when we find big synergies between one group and another. With Microsoft, I spent five years on a special advisory board with their enterprise project management, something called the Enterprise Project Management Partner Advisory Council. So I was pretty much on the inside of developers and business people. It was pleasurable to work like a team on partnerships and see how well we can work together. It was a little bit the same way for Oracle where we knew people in the Oracle group from back in the 1980’s that ultimately ended up at Oracle with the Primavera product, which is the project management product that Oracle has. We were working with people where we had long-standing relationships to find new ways to work together. With both of those organizations we had the same challenge. We want to be seen as a part of the market where they did not want to go. The idea of having a multifunction timesheet that could link to their project management tools and finance tools was too specialized for them to have great interest and yet ideal for us. So we have had cooperation from both of those organizations.

CEOCFO: How do you get the word out about your solutions? Are you attending Conferences?
Mr. Vandersluis: A lot of that has changed over the years for us. We find the big conferences are something we do a lot less of. We do those in a much more specialized environment. We will go for example to the Project Management Institute (PMI) chapter meetings to meet with a more localized group in different places. I was in one of those last month in Minneapolis. We do those kinds of things but that is not as common as it would have been fifteen years ago. Now we focus more on social media, SEO, several websites and we have a lot of content creation, blogs, articles, where we are getting the word out through magazines. We tailor our web presence to be more educational because our view is that when people want to find what we have, we would like them to be able to find it easily. Once they find us we would like them to be able to be educated with whatever materials are available online that we make available to people either through YouTube, our website or blog, so that they can determine themselves whether this is going to be of use to them. We are not doing the old-fashioned sales funnel anymore.

CEOCFO: Is your software geared for small companies as well as large enterprises?
Mr. Vandersluis: We have made it very scalable. The smallest TimeControl deployment that we have sold is for is 10 users, and the largest is about 12,000. The software itself is architected up to 100,000 employees. Therefore, we have a big range there and I have to say our most common deployment is somewhere between three hundred and one thousand employees, what people generally consider mid-size business.

CEOCFO: Do you have funds in place to continue growth? Will you be looking for investors as you go forward?
Mr. Vandersluis: At the moment we are not looking at investors. At the moment we have the working capital and the funds we need to move forward, we are profitable. We are happy to be growing organically. That is not to say that things will not change in the future but we are on a pretty good growth pace and we are happy with the pace we are at.

CEOCFO: As a global company, is your product multilingual?
Mr. Vandersluis: Yes it is. It includes numerous languages, and there are tools inside our product so that people can add their own language if they want. They can take the existing language and tailor it to their particular requirement. Often people have lexicons of certain terms for things, such as one company will call something a “task”, where others will say it is an “activity”. You can adjust that with TimeControl even if it is just in English. It includes French, Spanish, Italian, German and all the common languages in the markets where we sell.

CEOCFO: Put it together for our readers. Why is HMS Software important for global enterprises expanding their reach?
Mr. Vandersluis: We think this whole movement of human capital management is the key differentiator between organizations that are productive and those that are not. The more we move forward, the more that individuals in the organization become more key and more critical, the more important that becomes. The current goal for these organizations allows us to go beyond just accounting how much time their employees are spending, but to work on the time on. When you look at TimeControl and ask yourself what is TimeControl in the concept of human capital management, it is a single system that can track activities and blend that exercise with updated payroll, billing, human resources, job costing, and it gives a holistic view of how the employee contributes to the organization. I think that is what we strive for every day.