

Guide to Skills Management Software

2026

Key Factors for Successful Provider Selection

binder | consulting

What Can You Expect From This Guide?

Skills management software: making the right choice

Today's world of work is changing fast. New tools, automation and shifting business needs mean that the **skills companies need today may look very different tomorrow**. This leads to a simple but important question: how can you make sure the right skills are available exactly where and when you need them, now and in the future?

Skills management provides the foundation by making employee capabilities visible and usable across the organization. However, **managing skills effectively at scale cannot be done manually**. To unlock their full potential, organizations need the right technology to keep everything clear, up-to-date and usable in everyday work. This is what turns the concept into something you can actually work with in practice.

That's where this guide comes in, **offering practical insights on how to choose the right skills management software for your organization**.

We explore how the right solution can help make your organization **future-ready**, how skills management **connects to key HR processes** and which factors you should focus on when **evaluating and selecting a software provider**. We'll walk you through what really matters and how to match the software with your own needs.

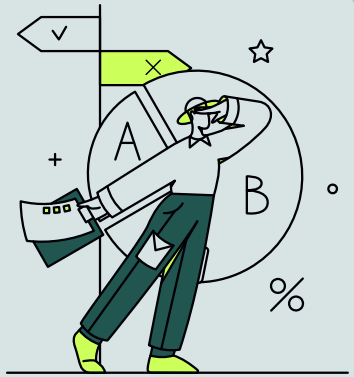


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Skills management: the key to your company's future?

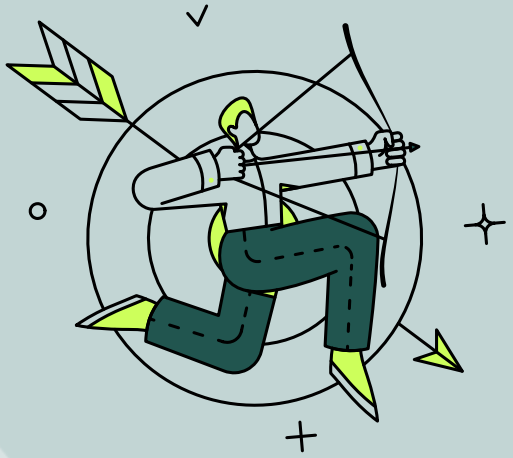
Skills management is a core element of employee development and planning. It is about **systematically identifying, developing and using employee skills within an organization**.

The goal is to create clarity around which capabilities exist, where they are located and how they can be used effectively. In other words, it makes skills visible, which helps **improve HR processes from both an organizational and employee perspective**. This becomes especially important in a fast-changing environment shaped by technological innovation and shifting market demands.

By identifying and developing skills, organizations can ensure that they meet **current as well as future needs** and make use of employees' interests and development opportunities in a structured way.

Skills management also **supports key use cases such as workforce planning, internal mobility, learning and development, project staffing and performance management**. By linking skills to these processes, organizations can make better workforce decisions and support employee growth in line with both individual goals and business needs.

Why Skills Matter 1



New ways to manage skills

Organizations have always relied on employee skills. **What has changed is the speed at which required capabilities evolve**.

Rapid digitalization, new technologies and changing market demands continuously reshape workforce requirements. As a result, **organizations need better visibility into existing skills and future capability gaps**.

Managing these dynamic requirements can be supported especially well through AI-based solutions and modern data management. Therefore, it is **not skills management itself that is new, but the way organizations can now manage skills** at scale and in real time.



A note on definitions

In skills management, terms such as skills, competencies, qualifications and individual characteristics may either be used in different ways or interchangeably. But what unites them is that they describe a **complete view of what people are capable of and thus bring into the organization.**

This guide focuses on skills management software, a context where a granular distinction between the terms is not required.

2 Skills Across HR Processes



Skills management has quietly shifted from a bold ambition to a lived reality in many organizations.

Let's take a look behind the scenes: skills data can serve as a **leading element across several HR-related processes** and help organizations create a more **consistent foundation for talent decisions**.

In many organizations, the challenge is not whether skills matter, but how they can be used in a way that is **structured, scalable and relevant across the HR value chain**.

That is why skills are increasingly seen not only as a descriptive layer, but as a **strategic connector** between people, roles, development and organizational needs.

By creating greater transparency and a more connected view of capabilities, skills can help organizations align talent decisions more closely with business priorities and future workforce requirements.

Skills can be integrated as a leading element in various HR-related processes and thus enable a wide range of new benefits for companies and employees.

The perfect match

Clear skills requirements for jobs help both candidates and recruiters understand whether there is a real **fit between role and applicant**. But as jobs evolve faster than ever, it becomes harder for HR teams to keep track **of which skills are really needed**.

The right skills management software makes this much easier as it can **automatically compare job requirements with external job data**, such as similar roles in the market. This helps to refine and enrich current job requisitions, ensuring that they are **accurate and up-to-date**.

Developing your talents

When employees have a **clear view of their own skills and the organization's expectation for their role, they can better identify areas for growth.** At the same time, organizations need to ensure that development opportunities are relevant.

With the right skills management software, development becomes targeted. By **comparing current skills with future needs**, the system can suggest suitable learning content and training paths. It also helps **connect employee interests with the skills the organization needs**, creating a better match between individual motivation and business priorities.



Your talents in the right place

Skills are also essential for **effective staffing**. To match people with the right roles, companies need clear skill profiles for employees and positions. In practice, this comparison is often complex and time-consuming.

This is where skills management software makes a real difference. **AI-supported matching can compare skill profiles with job or project requirements** in seconds and suggest suitable matches. This ensures that the **right people are placed in the right roles at the right time**.



Best Practice Approach to Software Selection 3

Lost in the software jungle?

Companies start from very different points and have their own priorities and requirements when it comes to skills. In many cases, organizations are also introducing new enterprise systems anyway, creating the opportunity to include skills as part of a broader setup. And sometimes, a **combination of different software solutions** is needed to match all requirements.

This is why the right setup can take different forms: **from a dedicated tool to a combination or an integrated suite.** Choosing software is therefore not about finding the “best” solution. It is about **finding the setup that fits your organization’s needs best**.

So how do you get there? Our roadmap will guide you through it.

Understanding the complexity of software selection

What makes skills management software selection particularly challenging? The answer is simple: the relevant **differences between providers** often lie in the details, **the solution must fit into an existing system landscape** and it usually needs to **support multiple HR processes** at once. This is why the selection process requires more than a feature-based comparison and calls for a structured and holistic view.

Dynamic provider landscape

The market offers a great number of software providers, and it is constantly evolving, making it hard to keep track.

Limited insight into providers

Understanding what each provider is truly good at may be difficult and not comparable without in-depth expertise.

Unclear internal requirements

Companies often struggle to clearly define what they actually need before starting the selection process.

Tip: Think holistically

Even if the initial focus is on skills in one specific area, **skills management should pursue a holistic approach**.

Different HR processes need different skill information (e.g., titles, descriptions, levels). A **comprehensive concept allows to expand into other areas** in the future.

How to approach the selection process



Software selection can be complex and even overwhelming. With a structured approach, however, it becomes much more manageable. The following steps outline a **pragmatic process** you might follow:

1 *Define objectives*

Clarify what you want to achieve based on concrete use cases to derive priorities and scope.

2 *Define requirements*

Set up a requirements catalog and prioritize (must-haves vs. nice-to-haves across all criteria).

3 *Scan the market*

Identify and add relevant providers to an initial longlist. Narrow down to a few best-fit providers based on the requirements.

4 *Evaluate*

Conduct demos, analyze functionalities and compare providers systematically using the requirements catalog.

*But what makes a **good requirements catalog**? Which criteria shall be included?*

Let's dive deep into it on the next page.

From criteria to clarity: structuring software selection

When evaluating software, **different criteria should be considered to get a clear picture**. These go beyond skill-related functionalities and also include technical, financial, non-functional and implementation-related aspects.

We suggest **setting up your own requirements catalog based on these aspects** with detailed requirements. Our **binder|consulting standard catalog** can be a great baseline to build upon. Then, use this catalog consistently across all providers for a systematic comparison.

In this guide, we zoom in on functional criteria. The **HR processes** covered within this section are intended to provide a **practical starting point for your analysis**. They help you build a **clearer picture of what you actually need from a software solution and strengthen your overall target picture**.

Let‘s take a look at these functional criteria on the next page.



Functional
HR processes, skills structure, labor market analysis

Non-functional
User experience, customization



Technical
Data security, system architecture

Implementation & integration
Effort, timelines, system landscape fit



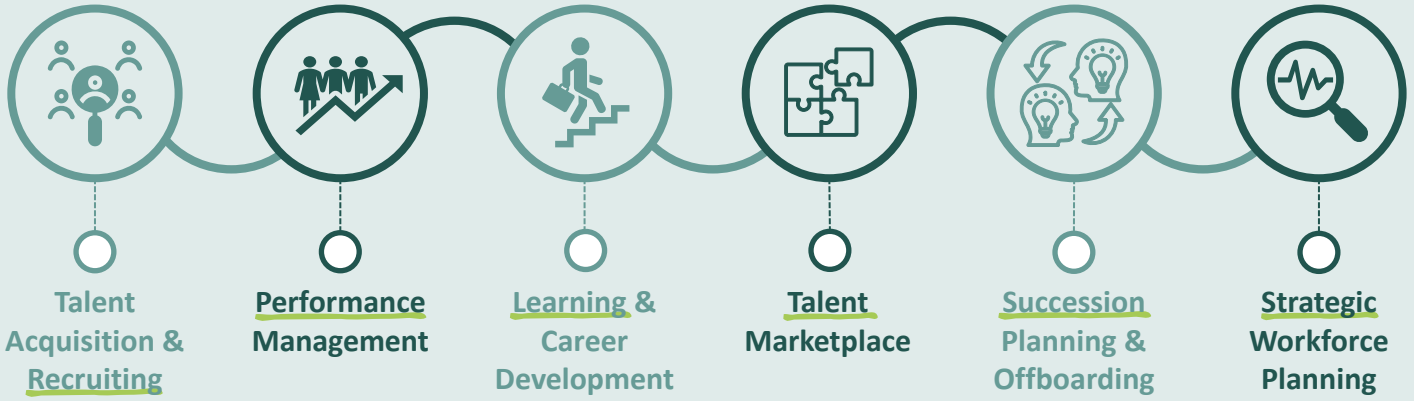
Financial
Costs, pricing model, total cost of ownership

Why HR processes should come first

In a skills management software selection process, it is useful to begin with the HR processes **the solution is expected to support**. This creates a practical basis for the functional analysis, because it turns a broad software discussion into a concrete view of where the solution must create value.

Looking at recruiting, performance management, learning and development, a talent marketplace (that supports staffing, internal mobility and employee retention), succession planning and strategic workforce planning helps **define the functional requirements** in a way that is anchored in real **business value**. Instead of starting with features, organizations can start with the processes that matter most and use them as the lens for evaluating providers.

*This approach makes the selection process **more focused**, **more relevant** and **easier to align** with the organization's overall target picture.*



A curated view of relevant providers

The providers shown on the right are not intended to represent a complete or exhaustive market overview. Instead, they **reflect the providers we currently see as particularly relevant** when starting a more detailed analysis of the skills management software market.

This selection includes both **broader HR suites** and **specialized best-of-breed solutions**, as both can be relevant depending on an organization's size, priorities, system landscape and target vision.

The overview is therefore meant as a **practical starting point** for further evaluation – not as a final recommendation or fixed shortlist.

Beamery
cobrainer
cornerstone
degreed
eightfold.ai
gloat
guidecom
How tomorrow works.
Lightcast
ORACLE
SAP SuccessFactors
TECHWOLF
360learning
workday.



Where do you stand after the first analysis? At this stage, three scenarios are typically possible:

Scenario 1 – A clear frontrunner is emerging

One software solution may already stand out because it **fits your requirements particularly well** and supports the HR processes most relevant to your organization.

In that case, you have a **strong basis** for moving into the next stage of the evaluation.

Scenario 2 – More than one solution may be needed

It seems like **no single solution fully matches** your organization's needs.

In that case, it is worth looking at several options more closely and understanding where **each one adds value**. Rather than searching for one perfect fit, the focus should be on **how the solutions complement each other**.

Scenario 3 – Further clarification is needed

Your analysis may also reveal that the **picture is not yet clear** enough to make a reliable selection.

In this case, it is often useful to **refine requirements**, revisit the most critical HR processes and gather further insights before moving forward. In addition, it may be particularly useful to **engage directly with the providers.** Also, consider **seeking external support** to help inform the decision-making process.



From Software Selection to Lasting Value

4

What determines whether a good selection becomes a successful outcome?

Selecting skills management software is an important step, but it's not the whole story. A sustainable decision depends not only on comparing providers and understanding requirements, but also on recognizing which factors will determine whether the chosen solution can create real value in practice.

In this chapter, we therefore look beyond the selection process itself. We focus on the additional elements that make the difference between a technically suitable choice and a **solution that can be implemented successfully, will be adopted by users and is able to create lasting value** for the organization.





Why software selection requires more than a one-time market scan

Even when organizations start with a structured view on requirements and HR processes, the **market remains dynamic** and the differences between providers are often more nuanced than they appear at first.

That is why thorough market knowledge, staying up-to-date on its changes and dynamics, is crucial and matters throughout the entire selection process. **It is the "make or break" of a well-informed software evaluation and decision**.

At binder|consulting, we are there to support you with:

Continuous market screening

We continuously monitor the software market and keep track of relevant providers, partnerships and emerging developments.

In-depth research

Our analysis is based on targeted research and a broad review of market information, solution specifics and provider positioning.

Deep dives with providers

We complement our research with detailed provider discussions, live demos and targeted deep dives.

Sharing insights

We regularly exchange perspectives with peers and bring in insights from conferences and ongoing market dialogue.



Even ***the best software can become a poor investment*** if the organization is not ready to adopt it. Real success depends not only on selecting the right tool, but also on preparing the business, involving stakeholders early and making the solution's value clear on the individual level.

Change management

A new software solution affects processes, roles and expectations across HR and the business. This makes it important to **actively manage the change** rather than treating implementation as a purely technical exercise.

User adoption

The value of the solution depends on whether people actually use it. If employees, managers and HR teams are **not engaged in a meaningful way**, even strong functionality may remain underused.

What's in it for me?

Adoption increases when the **individual benefits are clear**. Users are more likely to engage when they understand how the solution supports their own work, development or decision-making.

This is where our targeted support can turn selection into impact,

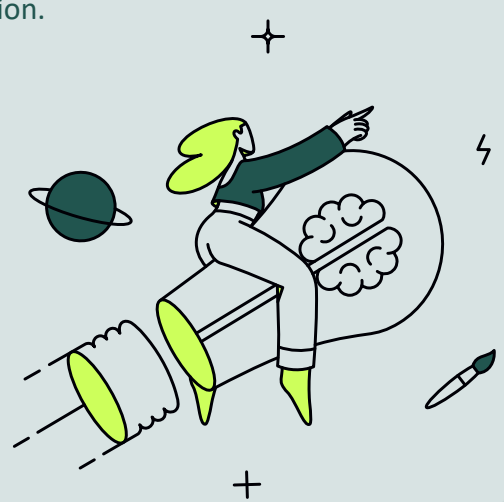
by shaping the implementation approach, strengthening change management and communication, enabling user adoption and clarifying what's in it for each stakeholder.

A structured approach creates better decisions

You now have a clearer view of how to approach the selection of skills management software, from understanding your needs and analyzing relevant HR processes to identifying suitable providers and shaping the right decision criteria.

The next step is to **turn this orientation into action**: refine your target picture, validate the most relevant options and prepare the organization for successful adoption. A **structured approach helps turn initial analysis into confident decisions** and lasting value.

We are happy to **support you along this path:** from sharpening requirements and facilitating provider evaluation to helping shape change, communication and user adoption.



Turning Insight Into Action!

Curious to learn more about us?

Let's connect!

You can find us at binder-consulting.com and on LinkedIn.

