



Human Capital Management Buyer's Guide

> How to find the best-fit solution for your organization

The modern workforce is complex

As companies look to become more flexible and agile in the marketplace, they're hiring greater numbers of temporary, or contract, workers. At the same time, full-time and part-time employees – both hourly and salaried – are looking for greater control over work/life balance and a more engaging work experience. This “blended” workforce wants to work smarter, with consumer-grade ease and speed from their first day to their last.

Effective human capital management (HCM) technology is essential for recruiting, hiring, managing, paying, and retaining talented, high-performing employees in this highly competitive business environment. You know it's time to take your organization's HCM stack to the next level, but where do you begin? The pressure is on to choose the right solution at the right cost from the right vendor who will stand at your side from purchase through deployment and beyond.

This guide is designed to help you navigate the buying process for HCM technology and:

- ✓ Build a relevant and effective cross-functional team
- ✓ Scope accurate business requirements
- ✓ Understand the right questions to ask vendors to learn which HCM solution can best meet the needs of your stakeholders
- ✓ Recognize what the universal benchmarks should be for any unified HCM platform
- ✓ Plan the HCM buying process by using an actionable set of tools and resources



89% of U.S. organizations are progressively moving ahead on the path to a blended workforce.¹

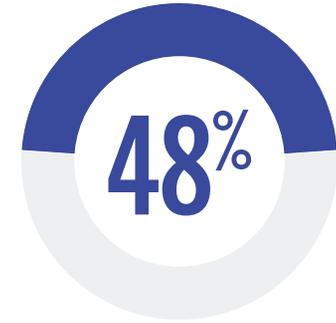
¹Tech Funnel, The Human Capital Management Capital Survey 2019, sponsored by Kronos.

Why human capital management matters

Great businesses are powered by great people. But when you rely on manual, semiautomated, or disparate systems, inefficient processes can frustrate your people and lead to retention issues. The bottom line is, human resources (HR) professionals can't develop and engage a modern workforce if platform challenges are keeping them from successfully doing their jobs. A technology solution that gives HR the visibility to see the bigger picture can help them become a better partner to the business – and more easily manage and engage your organization's most valuable asset: your people.

By giving employees a unified HCM platform with the technology tools to work smarter and more seamlessly, you'll empower them to perform at their full potential and accomplish daily tasks – applying to jobs, enrolling in benefits, swapping shifts, managing time, and accessing and updating payroll information – with speed and ease.

With the tips and resources laid out in this guide, you'll be well-prepared to navigate the crowded HCM landscape and pick a solution that fits the needs of your entire organization.



**of surveyed employees
wish that their workplace
technology performed the
same way as their personal**





Identify your needs



Gather the right team



Ensure user adoption



Set the table stakes



Identify your needs

Organizations need a simple process for cutting through the noise of the HCM buying process and finding an HCM platform that meets the needs of all the different departments and stakeholders the platform impacts.

The first steps in any HCM platform-selection process are recognizing when it's time to invest in new technology, deciding what the ideal end state of the project should be, learning what the most pressing challenges/pain points are that need to be addressed, and getting clear about your priorities for different, HCM-related needs. Mapping out these needs at the beginning of the buying process will help you stay focused on what's most essential to you.

Begin the process by answering some key questions, including:

- **How long has it been since the existing technology you use for HR, payroll, time and attendance, recruiting, etc., was evaluated?**
 - Is it still supported by the vendor?
 - Is it kept up to date with the latest changes to labor and tax laws?
- **What challenges do your different departments face on a daily basis when it comes to managing your HCM processes?**
 - Are there costs associated with these challenges?
- **What parts of your employee lifecycle rely heavily on paper processes and manual tools, like spreadsheets, or point solutions that cover only specific parts of the HCM lifecycle?**
- **What level of importance would you give to enhancing different parts of your HCM processes?**
- **What are the short-, mid-, and long-term priorities you'd like to pursue?**



For a simple worksheet of key questions that will guide you through the beginning stages of the HCM vendor interview process and help you get an accurate view of your current state and needs, refer to Worksheet 1 in



Gather the right team

A new HCM platform touches many functional areas and affects a lot of people. If you're leading the charge to evaluate and purchase an HCM platform, you'll want to assemble a cross-functional team of key stakeholders who understand the needs of the primary departments at your organization that could take advantage of HCM technology. It pays to think big here – your new HCM platform shouldn't just serve the needs of a specific group. It should be the one source of truth for your entire organization when it comes to people data and processes – and that means collaborating across different groups to come up with the standards that must be met by the vendors you evaluate.

Key stakeholders will add value and help drive the best decision for your organization. Logically, these stakeholders would include participants from the following departments.

Human Resources



Payroll



Operations/Finance



IT



Key participant:

Human Resources

You need someone involved in the HCM buying process who understands your employee lifecycle, hiring needs, benefits programs, employee engagement initiatives, workforce composition, turnover/retention rates, performance/development targets, and other related processes. Having an HR team member on board will ensure you have the proper visibility into these items as you formulate your questions for HCM vendors. As a bonus, an HR participant will be able to look at things from the viewpoint of your employees, thereby helping you find a platform the majority of your workforce will actually use.

Here are some questions for which an HR professional on your team would be best suited to ask a potential HCM vendor:

- How will the HCM platform allow us to communicate company culture in a marketable way during the recruiting process?
- How easy is it to transition candidates from recruiting to onboarding with minimal task repetition?
- How can we engage employees during the onboarding process, making it simple for them to follow and for managers to track?
- How centralized are employee records, and how flexible can they be in terms of managing different position types?
- What levels of benefit capabilities can the HCM platform support?
- How does the HCM platform support ongoing performance conversations with different worker types and link the outcomes of those conversations to compensation?
- What development and succession planning options are available and can they contribute to wider HR goals like predicting workforce trends?
- How can the HCM platform help HR professionals make strategic decisions and minimize administrative overhead while keeping employees energized and engaged?
- How does the HCM platform enable HR to elevate its role as a true partner to the business?



of U.S. organizations have a renewed outlook on the role of HR as a strategic business partner as opposed to just a transactional entity.³

³Tech Funnel, the Human Capital Management Capital Survey 2019, sponsored by Kronos.

Key participant:

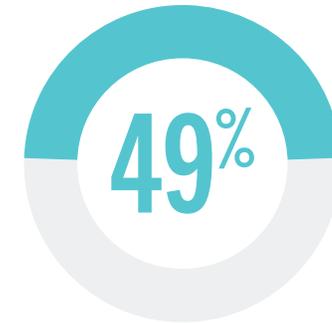
Payroll

It's critical that your new HCM system can deliver perfect paychecks and proper tax payments and filings for your employees – and not cause a major disruption when it's implemented. There's no one better positioned to understand the impact of payroll at your organization than its payroll professionals. By including one of these subject-matter experts into your search for an HCM vendor, you'll have strategic insights into:

- Post-payroll processing requirements
- Services that could help your organization gain efficiency
- Many other considerations of how your different types of employees get paid

Here are some specific questions a payroll professional can use to begin a conversation with a potential HCM vendor:

- How much work is required to apply the time rules in the HCM platform to our organization's payroll processes in order to ensure accuracy?
- Is the HCM platform able to catch payroll discrepancies before they occur, without a lot of manual intervention?
- At what points in the pay cycle can we view payroll data, and how soon after changes are made do they become available?
- How simply can garnishments be calculated?
- At what point do compliance standards integrate with the payroll process, and how much effort does it take to maintain these standards?
- How does the platform make sure that every step in the payroll preparation process gets carried out correctly?
- How can the platform manage post-payroll processing?
- What kinds of options are available for implementing services for areas we don't have the staff or time to handle?



49%
of employees say they will
leave a company after their
paycheck is wrong more

Key participant:

Operations/Finance

The backbone of any good HCM platform is its workforce management capabilities, so you need someone on board who's going to focus on where the technology can help you gain efficiency and automate administrative tasks to improve your bottom line. Finance and operations team members are typically a perfect fit. They have a strong understanding of the wider budgetary landscape at your organization, time and accrual rules for different worker types, workload and scheduling parameters, key productivity metrics, time- and attestation-related compliance rules, among other insights.

Here are some questions that an operations or finance representative can ask to add value to your HCM buying team:

- Where do budget targets get taken into consideration across the HCM platform?
- How many different types of workers can be supported by the time rules available in the HCM system?
- Can different processes be in place at the same time for hourly and salaried workers?
- What options are available for managing and forecasting workload needs?
- How intelligent are the scheduling options?
 - Is it a seamless process for viewing and filling gaps with appropriately skilled labor?
- How do compliance rules get taken into account in terms of time and scheduling?
 - Does the HCM platform automatically show key pieces of information, like when employees qualify for leave under varying standards?
- How difficult is it to get at information about important areas like productivity, labor cost versus budget, actual hours versus planned hours, etc.?
 - How can we make sure that overtime and other key metrics stay within proper thresholds?
 - How up to date is the data collected?
 - How do you ensure the data being presented can be trusted?
- How easy is it to add employees in the event of an acquisition and to onboard them with respect to the application?

Key participant:

Information Technology (IT)

Any new technology needs to integrate and communicate with your existing organizational infrastructure, and HCM platforms are no exception. Looping in a representative from IT from the start of the buying process will ensure you know the security requirements of your organization's network, other important systems of record, data-related compliance standards, and potential efficiencies to be gained with HCM cloud solutions.

Here are some examples of questions an IT team member would be well positioned to ask:

- What options are available for connecting to and sharing data with important systems of record that fall outside of HCM?
- How self-sufficient is the cloud infrastructure of the HCM platform and how much ongoing support is expected from our organization?
- What's the frequency of the HCM platform's update cycle?
 - Is everyone brought to the latest version automatically?
- How does the HCM platform account for and deal with data protection compliance standards?
- What sorts of onboarding activities will be available for our administrators?
- How does the HCM platform align with the security standards relevant to our location and industry?
 - How does the platform protect the privacy of its users?

 See Worksheet 2 in the HCM Buyer's Toolkit for help filling key positions on the buying team, articulating responsibilities of the buying process, and listing key priorities and questions for each team member.

Ensure user adoption

Let's face it – you can have the most innovative HCM technology, but if your people don't use it, you won't see any improvement in your organization's processes and strategies. That's why, in addition to forming a team of experts who can advocate for different departmental needs, it's imperative that you also understand the needs of the different segments of your workforce who will be interacting with the technology to complete tasks. Here are a few of the workforce segments/roles you should consider touching base with as you start the HCM buying process:

- Employees and managers
- Executives
- Administrators



Employees and managers

With the help of your buying team, identify some employees and managers from different areas of the organization and get their perspectives on your existing HCM processes, identify their typical interaction points with HCM technology, and get a better understanding of what elements of the technology will incentivize them to use it.

Questions to ask employees:

- How often do you interact with our current system, and what do you usually use it for?
- With our current system, how easy is it to access the kinds of employee information that matter to you?
- How often do you go to your manager, HR, or payroll to complete a task or get information you need?
- What kinds of workplace technology do you find work the best?
 - What kinds are the most challenging?
- Where are you most likely to complete HR, payroll, and timekeeping tasks?
- What kinds of mobile apps do you like to use outside work?
 - What do you like about them?

Questions to ask managers:

- How quickly can you understand what requests are coming from your team members, how they're performing, and what to focus on with specific employees?
- How quickly can you get into our current system, find what you need, and move on with your day?
- What kinds of information do you need in order to have productive conversations with your team members about their development and to ensure they're more likely to remain with the organization?
- How often do employees come to you with issues about HR, payroll, or time/attendance?
 - Do you have enough visibility into the data to answer these questions, or do you have to reach out to HR and payroll colleagues to get the information you need?
- How much time do you spend approving employee requests?
 - How easy is it to approve these requests?
- Which of your day-to-day responsibilities could the right technology make the biggest impact on?

Executives

You'll typically have at least one executive sponsor who will need to approve your HCM platform buying decisions. It pays to check in with that person and other members of your executive team to ensure the solution you choose can showcase its value to them as well as provide them with accurate people data that can help them make decisions.

Questions to ask executives:

- What kinds of people data contribute most often to the decisions you make?
- How easily can you visualize people data for quick reference or to predict workforce trends?
- In what situations do you typically access people data to facilitate decision making?
- How much impact do you think companywide goals currently have on the performance goals that get assigned to different departments?

Administrators

Even if the people who will be administering your new HCM platform are already part of your buying team, it doesn't hurt to sit down with them separately and try to isolate their specific needs. You want to make sure their experience with the new platform is a smooth one and that they can easily navigate and troubleshoot any system you choose.

Questions to ask administrators:

- What kinds of tools would help you get onboarded quickly with a new HCM system?
- How much adjustment to an HCM system would be required to meet our organization's specific needs?
- Which current processes cause the most challenges for you, and how do you think a new HCM system could streamline them?
- Where would you go to find solutions to problems you encounter in a new HCM system?
- How much would it help to be able to access a forum of other administrators using the same system?

 For help identifying representatives from employee, manager, executive, and administrator roles, see Worksheet 2 in the HCM Buyer's Toolkit. We've also included space for filling in questions you'll want to ask these representatives during interviews as well as for any notes you take on their responses.

Set the table stakes

In business, table stakes are the minimum entry requirements for a market or business arrangement. Once the different members of your HCM search team are selected, you can turn your attention to the big-picture items that are “must-haves” in your HCM platform. When organizations look to consolidate their processes into a single HCM platform, it can be challenging to list all the different activities and areas that will be affected. Focusing on these primary target areas will help you establish a cross-functional baseline of what a good HCM platform looks like and will provide a solid foundation on which to layer more specific role- or department-based needs.

The table stakes for an HCM platform with tools that can enhance the employee experience, provide valuable operational insight, and support smart decision making for more effective workforce management should include:



A unified platform



**Intuitive, proactive
business insights**



**A consumer-
grade user
experience**



**Comprehensive
services and support**

In this section of the guide, we'll delve into each of these table stakes and the questions you should ask – and why – to ensure you're getting everything you need in your HCM platform.



Target area:

Unified platform

The strongest HCM experiences are generated by a unified platform that provides an end-to-end workforce solution that can handle recruiting, talent management, benefits administration, HR, workforce management, and payroll for complete employee lifecycle management. It makes the most sense for your various departments, your employees, and your organization's wallet to invest in a solution that will provide a single source of truth for your people data and processes. Plenty of vendors claim to have a unified platform, but in reality, many of them have bolted together multiple products into something that just looks like one. In order to know exactly what you're getting, you have to ask the right questions, including:

- **How many databases does the HCM platform run on?**

If it's more than one, chances are the platform is not really unified and there may be discrepancies in the information that flows between the different parts of the platform.

- **Does the data in the HCM platform get updated in real time?**

If not, it's likely there's some kind of data modeling/manipulation going on behind the scenes to reconcile multiple inputs rather than providing a true unified platform.

- **Where do the analytics features available in the HCM platform come from?**

Analytics is a strong test of whether a platform is truly unified, because the reports and dashboards it generates usually pull from multiple kinds of data in the system. If they're native to the product and run in real time, then the platform is probably unified.

- **How many places within the system do you have to go to see all the information for an employee?**

True unified platforms run on a single employee record that lets you access everything – from HR info to payroll to time and attendance – in one spot. If you need to go to more than one place to get a full picture of any employee, you're probably accessing separate systems.

- **When do the compliance rules active in the HCM platform go into effect?**

Compliance should be regularly updated and baked in across all major areas of the system, and the rules you set should get taken into account everywhere to ensure you're not exposed to risk. If you have to set up the same compliance rules in multiple places and they aren't feeding freely between different functions – such as between your time and pay rules – the platform probably isn't truly unified.

- **How many different browser locations are required to access different parts of the HCM platform?**

If you have to open multiple windows or travel to different URLs to access different aspects of an HCM system's functionality, chances are it's not really unified. You should be able to go to one central location, log in, and navigate to any information you need.

Target area:

User experience

Employees in today's modern workforce expect a consumer-grade user experience from the different business applications they interact with, so make sure you choose an HCM platform that's designed to delight and built to engage. This will ensure employee adoption, reduce administrative overhead through self-service, and promote work/life balance by giving access when and where your people need it. Here are some basic questions to ask to learn more about the user experience of the HCM platforms you're considering:

- **How responsive is the HCM platform? Can it optimize its displays to different device types?**

Responsive design is a baseline requirement for modern user experiences. You should be able to do anything on a mobile device that you can do on a desktop and still have it be an easy, seamless experience.

- **How easy is it for employees to complete typical HCM tasks or to get answers to common questions without having to go to a manager, a payroll expert, or HR?**

Employee self-service is paramount to successfully rolling out a unified HCM platform. You should invest in a solution that lets employees handle things like enrolling in benefits, swapping shifts, viewing pay statements, requesting time off, checking performance reviews, and any other similar day-to-day activities on their own with minimal need to involve managers and subject-matter experts.

- **How much differentiation is there between the employee and manager experiences?**

Managers have different priorities and need to have quick access to their team's information and the metrics that matter for their department. Manager features should be clearly separated from typical employee functions for ease of use. That said, the system should also provide a uniform experience and keep all functions in one place, whether you're using it as an employee or a manager.



59% of organizations believe their employee-facing technology has a significant influence on a candidate's decision to join.⁵

⁵Aptitude Research Partners, *Hire, Engage, Retain Study*, 2016. N=311. Aptituderesearchpartners.com.

Target area:

Business insights

Beyond just automating processes and managing information, a strong HCM platform should also help you continuously evaluate and grow your people-related processes and predict workforce trends before they have an impact. This means you'll need strong people analytics tools to make sense of the wealth of data available in your new solution. Some key analytics questions you'll want to ask include:

- **What kinds of standard options does the HCM platform have for keeping a finger on the pulse of and visualizing day-to-day activities in different key areas?**
A strong HCM solution should be loaded with standard reports for different areas, with the option of choosing simple data visualizations for quick consumption and decision making.
- **How can the HCM platform help predict and proactively address the workforce trends and employee behaviors that matter to the health of our organization?**
People analytics is about more than just tracking current and historical information. It should give you the power to predict and influence what's going on in your organization. Things like employee flight risk, engagement, reliability, and fatigue/burnout – among many others – all should be areas where your HCM technology lets you take action before impacts occur.
- **What options are there for setting up different analytics views for the different roles in our organization?**
Analytics works best in context. You should be able to call up a variety of dashboards covering different key competency areas, make the dashboards relevant to different groups visible to those groups, cut out irrelevant views to minimize noise, and allow quick drilling into specific reports from the dashboard to investigate areas of interest.
- **What kinds of best practices are available for configuring the HCM platform's analytics options based on those of customers of a structure and industry similar to that of our organization?**
A strong HCM vendor should have methods for setting up your system to perform based on benchmarks from organizations in a similar industry with similar demographics and challenges. This way, you'll have a strong foundation to build on.

Target area:

Customer experience

It's easy to get caught up in the technology concerns of an HCM search and forget that the last word in software as a service is "service." Equally important to the HCM platform you get are the deployment, support, and customer success services that come with it. You need to make sure that instead of getting left with a new technology that's set up in cookie-cutter fashion with no instruction or change management help, you get a platform that fits your organization, provides plenty of advice along the way, and is set up for success after implementation. Here are some questions for investigating a vendor's services and support standards:

- **What does the HCM vendor do to welcome you and get you acquainted with their available resources after you sign a contract with them?**

First impressions are important, and you need to understand what the vendor is going to do to address your business objectives, outline roles and responsibilities, and provide details on their deployment process. Right from the start, you should have a customer success team that lets you know what to expect from your HCM vendor every step of the way and what will be done to ensure your success.

- **What kinds of conversations does the deployment team for the HCM platform have with your internal stakeholders? How do they mix advising and best practices with adjusting the solution to fit your specific needs?**

Ideally, the deployment team should be able to educate you on the options available to you and to suggest what would best fit your organization rather than provide a series of either/or choices without context. This ensures a fast deployment and rapid time to value for your organization.

- **How does the handoff from the deployment process to the support team usually go?**

Here's where change management and knowledge transfer really come into play. The support team should pick up smoothly where the implementation team left off and spend some time with you upfront to make sure you're set up for success.

continued





- **Is the support model a call center, a dedicated rep, or something in between?**

Believe it or not, you want to shoot for something in between. The ideal scenario is to find a vendor that offers a dedicated team of support people — like your buying team — who are well-versed in different HCM skill sets. This way, you'll still be talking with a familiar group without having to deal with the wait times associated with a single, dedicated support rep.

- **What ongoing resources are offered after implementation to help new administrators get on their feet with the HCM platform?**

Your HCM vendor should be able to offer new administrators a “starter” kit or program to bring them up to speed on the system quickly and ensure they're able to efficiently handle day-to-day tasks. There should also be a customer success team available to be your advocate and help you realize continuous value from your platform investment, including pointing you to enablement resources for you administrators and the organization as a whole.

- **What forums are provided for interacting with other customers to build a community, get tips, and have questions answered?**

Getting connected with other customers unlocks a wealth of insights and gives you an idea of how the HCM vendor interacts with its customer base. Ideally, you should be looking for a dynamic online community where you can freely follow topics of interest, easily get help with questions, and access wisdom from fellow customers.



In Worksheet 4 of the HCM Buyer's Toolkit, we've provided a checklist to help you identify the table stakes that should be foundational to an HCM platform — and whether HCM vendors under consideration meet your needs. We've also provided a checklist in Worksheet 5 to help you define the services each HCM vendor provides for successful implementation and ongoing administrator support.





Time to get rolling!

The right HCM platform will give your organization the tools to work smarter and more seamlessly and give your employees the engaging, consumer-grade experience the modern workforce expects. With the tips and tools laid out in this guide, you'll be well-prepared to get your search up and running quickly and to effectively navigate the crowded HCM landscape for the platform that's the best-fit solution for your business and the stakeholders it impacts.

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