

HUMAN CAPITAL MANAGEMENT BUYER'S GUIDE

HOW TO FIND THE BEST-FIT SOLUTION FOR YOUR ORGANIZATION



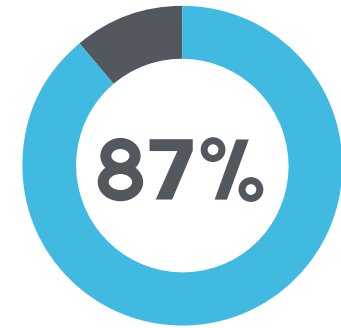
THE MODERN WORKFORCE IS COMPLEX

As organizations look to become more flexible and agile in the marketplace, they're moving away from the traditional, rigid policies of yesterday's workplace and evolving to focus more on employees — on their wellbeing and success. Meeting people's needs has become priority number one, and organizations that disregard this business imperative are being left behind.

Today's employees are seeking workplaces that allow them to bring their whole selves to work, that deeply understand them, and that are amenable to their needs. In turn, they're inspired to achieve their full potential for the good of themselves, their organizations, and their communities.

This guide is designed to help you navigate the buying process for human capital management (HCM) technology and:

- ✓ Build a relevant and effective cross-functional team
- ✓ Accurately scope 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 technology and service benchmarks should be for your new HCM solution
- ✓ Plan the HCM solution buying process by using an actionable set of tools and resources



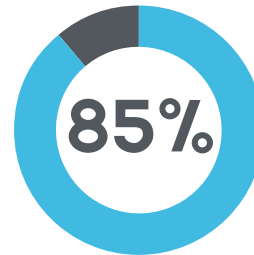
87% of employees reported that flexibility at work had a positive or very positive impact on quality of work. ¹

¹ Rachel Pruchno, Ph.D., Leon Litchfield, Ph.D., and Mindy Fried, Ph.D., Measuring the Impact of Workplace Flexibility Boston College (June 9, 2022), found at <https://www.bc.edu/content/dam/files/centers/cwf/research/publications/researchreports/Measuring%20the%20Impact%20of%20Workplace%20Flexibility>.

WHY HUMAN CAPITAL MANAGEMENT MATTERS

Leading businesses are looking to HR technology that's designed with people at the center, truly serving them and improving their personal and professional lives. These businesses anticipate employees' needs, beyond just work, and thoughtfully adapt to meet them, leveraging HCM solutions that truly serve people, not processes. By embracing the right solutions now, employers can be confident in their ability to attract and retain the talent they need, and to deliver workforce experiences that reflect the connection between life and work today.

By giving employees the technology to work smarter and more seamlessly, you'll empower them to perform at their full potential and accomplish daily tasks — applying for 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.



Employees are 85% more likely to stay beyond three years in their jobs if they feel they have the technology that supports them at work.²



²Brad Anderson and Seth Patton, *In a Hybrid World, Your Tech Defines Employee Experience*, Harvard Business Review (February 18, 2022), found at <https://hbr.org/2022/02/in-a-hybrid-world-your-tech-defines-employee-experience>.

WHAT'S THE PLAN?



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 solution that meets the needs of all the different departments and stakeholders the solution impacts. The first steps in any HCM solution selection process are 1) recognizing when it's time to invest in new technology, 2) having a clear technology strategy, and 3) determining how the solution will help you take care of your employees' needs. You'll also need to decide what the ideal end state of the project should be, identify the most pressing challenges/pain points for your people that need to be addressed, and get 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 technology you use for HR, payroll, time and attendance, recruiting, etc., was last 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 key elements of the employee experience — both at work and outside of work — would you like the HCM solution to address?
- 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 solution vendor interview process and help you get an accurate view of your current state and needs, refer to Worksheet 1 in the HCM Buyer's Toolkit.





GATHER THE RIGHT TEAM

A new HCM solution touches many functional areas and affects a lot of people. If you're leading the charge to evaluate and purchase an HCM solution, 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. Choose representatives who can share insight into how the solution can alleviate challenges to create more people-centric experiences and who will help you champion the role of the solution in building a great workplace for everyone. It pays to think big here — your new HCM solution 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



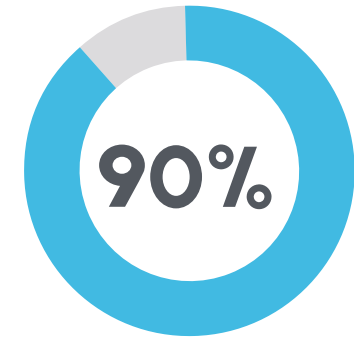
**KEY PARTICIPANT:**

HUMAN RESOURCES

You need someone involved in the HCM buying process who understands your people's needs both at work and outside of work, no matter what stage they're at in their careers. This includes hiring needs, benefits programs, employee engagement initiatives, 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 solution 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 solution the majority of your workforce will actually use.

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

- How will the HCM solution 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 solution support?
- How does the HCM solution 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 solution help HR professionals make strategic decisions and minimize administrative overhead while keeping employees energized and engaged?
- How does the HCM solution enable HR to see the whole person when it comes to your employees and address needs both at work and outside of work?



More than 90% of chief human resources officers predict significant changes to the HR operating model in the next two to three years.³

³Laura Blumenfeld, Neel Gandhi, Asmus Komm, and Florian Pollner, *Reimagining HR: Insights from People Leaders*, McKinsey & Company (March 4, 2022), found at <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/reimagining-hr-insights-from-people-leaders>.



KEY PARTICIPANT:

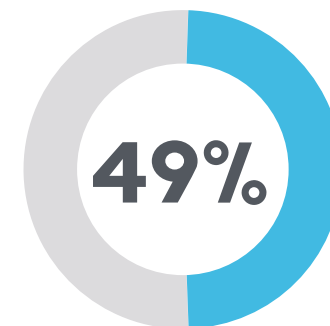
PAYROLL

It's critical that your new HCM solution can deliver perfect paychecks and proper tax payments and filings for your employees — without causing a major disruption when it's implemented. There's no one better positioned to understand the impact of payroll at your organization than your payroll professionals. By including one of these subject-matter experts in your search for an HCM solution 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 solution vendor:

- How much work is required to apply the time rules in the HCM solution to our organization's payroll processes in order to ensure accuracy?
- Is the HCM solution 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 visible?
- Can garnishments be calculated simply?
- 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 HCM solution make sure that every step in the payroll preparation process gets carried out correctly?
- How can the HCM solution 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?
- Does the HCM solution feature an earned wage access tool that provides employees with advance access to a certain amount of their accrued wages prior to receiving their regular paychecks, offering a safer way to address unexpected expenses and a path to financial wellness?
- Can the HCM solution facilitate and promote charitable giving, enabling both formal campaigns and one-off donations through automatic deductions from employees' pay?
- Will we have insight into important pay trends, such as pay equity, across the organization?
- Does the HCM solution provide employees with convenient and instant access to pay information, and will they be able to view their pay information from anywhere, on any device?



49% of employees say they will leave a company after their paycheck is wrong more than twice.⁴

⁴ Engaging Employees Through Payroll Survey, Workforce Institute at UKG.

**KEY PARTICIPANT:**

OPERATIONS/FINANCE

The backbone of any good HCM solution 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, and 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 solution buying team:

- Where do budget targets get taken into consideration across the HCM solution?
- How many different types of workers can be supported by the time rules available in the HCM solution?
- 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 to view and fill gaps with appropriately skilled labor?
- How do compliance rules get taken into account in terms of time and scheduling?
 - Does the HCM solution automatically show key pieces of information, such as when employees qualify for leave under varying standards?
- How difficult is it to get information about important areas, such as productivity, labor cost versus budget, and actual hours versus planned hours?
 - 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 the solution?

**KEY PARTICIPANT:**

INFORMATION TECHNOLOGY (IT)

Any new technology needs to integrate and communicate with your existing organizational infrastructure, and HCM solutions 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 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 solution, and how much ongoing support is expected from our organization?
- What's the frequency of the HCM solution's update cycle?
 - Are all users brought to the latest version automatically?
- How does the HCM solution account for and deal with data protection compliance standards?
- What sorts of onboarding activities will be available for our administrators?
- How does the HCM solution align with the security standards relevant to our location and industry?
 - How does the solution protect the privacy of its users?
- Does the HCM solution feature real-time data and reporting that offer insights for better decision making to optimize our business and people's performance?



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 solution 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 of work?
 - What do you like about them?
- What capabilities would you like to see our technologies provide to support your life outside of work?

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?
- How do you determine how employees truly feel about our organization?
 - How easy is it to collect, measure, and analyze their feedback and subsequently take the right actions that will have a meaningful impact on culture, retention, and performance?



EXECUTIVES

You'll typically have at least one executive sponsor who will need to approve your HCM solution 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?
- What role does organizational culture play in attracting and retaining motivated people whose performance contributes to the ongoing success of our business?



For help identifying representatives from employee, manager, executive, and administrator roles, see Worksheet 3 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.

ADMINISTRATORS

Even if the people who will be administering your new HCM solution 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 solution is a smooth one and that they can easily navigate and troubleshoot any system you choose.

QUESTIONS TO ASK ADMINISTRATORS:

- How much would an HCM solution have to be adjusted to meet our organization's specific needs?
- Which current processes cause the most challenges for you, and how do you think a new HCM solution could streamline them?
- Where would you go to find solutions to problems you encounter in a new HCM solution?
- How much would it help to be able to access a forum of other administrators using the same solution?
- What would constitute a stress-free implementation of a new HCM solution for you?
- What means of communication would be best to access support for the HCM solution when you need it?
- What learning and training resources would you like the HCM solution vendor to provide both as you onboard and in the long term?



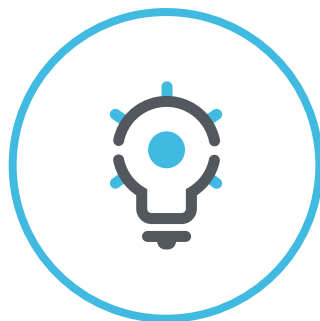
SET THE TABLE STAKES

In business, table stakes are the minimum entry requirements for a market or business arrangement. Once the different members of your HCM solution search team are selected, you can turn your attention to the big-picture items that are “must-haves” in your HCM solution. When organizations look to consolidate their processes through a single HCM solution, 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 solution looks like and will provide a solid foundation on which to layer more specific role- or department-based needs.

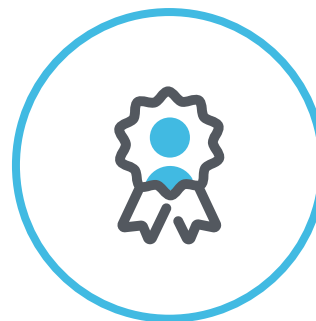
The table stakes for an HCM solution with tools that can enhance life and work experiences for your people, provide valuable operational insight, and support smart decision making both long term and in the moment should include:



**TRUE LIFE-WORK
TECHNOLOGY**



**INTUITIVE,
PROACTIVE
GUIDANCE**



**FLEXIBLE
EXPERIENCE**



**END-TO-END
PARTNERSHIP**

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 solution.

**TARGET AREA:**

TRUE LIFE-WORK TECHNOLOGY

The traditional approach of separating people systems from work systems doesn't help you balance what makes your people happy and your business great. And today's employees want employers to think beyond the traditional work experience — to create great workplaces that anticipate their life *and* work needs and thoughtfully adapt to meet them. Look for an HCM solution that helps you care for your people professionally and personally, and that helps your organization develop the resilience, agility, and adaptability needed to exceed new workforce expectations around the world. After all, your people are the drivers of your organization's success, so when they thrive, so will your business.

In order to know exactly what you're getting, you have to ask the right questions, including:

- **Does the HCM solution combine people systems and work systems?**
If it doesn't, this is a red flag. It's critical that the HCM solution bring together people systems to inspire your workforce and work systems to help your business thrive.
- **Are people or processes the focus of the HCM solution?**
The right HCM solution is people-centric — it empowers you to tune in to the person who does the work — what drives them, what delights them, and what stands in their way — and focus your energy and your tools to help them fulfill their potential, both on and off the job.
- **Is the HCM solution designed with innovation that serves all people?**
To help you build a great workplace for everyone, your chosen HCM solution should empower your organization to build a culture of belonging by creating a culture of community, and by listening, learning, and communicating; to foster organizational adaptability by empowering and engaging people and by embracing flexibility and trust; and to offer autonomy by guiding and informing people and by investing in their growth.
- **How powerful is the artificial intelligence (AI) that underpins the HCM solution?**
To help you better understand your people, drive organizational improvement, and reach the remarkable, the HCM solution should be built with advanced AI technologies that automatically understand, predict, and prescribe personalized actions from all relevant HCM data to help you predict workforce behavior, analyze employee sentiment, and take immediate action to improve employee satisfaction and retention.



TARGET AREA:

INTUITIVE, PROACTIVE GUIDANCE

Beyond just automating processes and managing information, a strong HCM solution should also help you continuously anticipate your employees' needs and provide actionable insights to make well-informed decisions that elevate and champion your people. This means you'll need strong analytics and reporting tools to make sense of the wealth of data available in your new solution — tools that are backed by AI that's personal, thoughtful, adaptable, and ethical.

Some key analytics questions you'll want to ask include:

- **What kinds of standard options does the HCM solution 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 solution help predict and proactively address the workforce trends and employee behaviors that matter to the wellbeing of our people and 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 — should be areas where your HCM technology lets you take action before impacts occur.

- **Does the HCM solution include a sentiment analysis tool that enables us to collect and analyze employee feedback?**

Listening to your employees is an important part of building a workplace culture that engages, motivates, and retains your people. A powerful survey solution encourages transparent, conversational feedback and helps you understand the entire individual, their preferences, and their aspirations both at work and outside of work. It leverages natural language processing and machine learning to remove potential bias and reveal the true emotions and themes behind text. It gives access to real-time insights so you can take action to improve the life-work journey for all people.

- **What kinds of best practices are available for configuring the HCM solution's analytics options based on those of customers of a structure and industry similar to that of our organization?**

A strong HCM solution 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:

FLEXIBLE EXPERIENCE

Employees in today's modern workforce expect a flexible experience from the different business applications they interact with, so make sure you choose an HCM solution that adjusts to their different technological needs and empowers them with self-service. This will increase productivity, ensure employee adoption, improve employee engagement, and promote life-work synergy by giving access when and where your people need it.

Here are some basic questions to ask to learn more about the experience your people will get with the HCM solutions you're considering:

- **Does the HCM solution offer mobile access for key interaction points?**

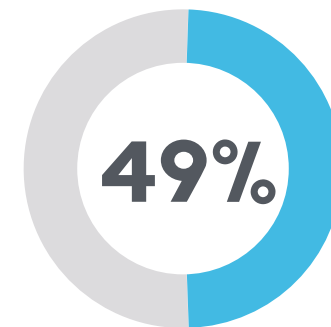
Modern workers expect the same technical flexibility and convenience in their professional lives as in their personal lives. The HCM solution should give them convenient access anytime, anywhere to key processes, such as benefits enrollment, direct deposit, timesheet submission, and vacation requests, allowing them the flexibility to complete interactions as they become relevant, rather than having to wait for access at the office.

- **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 solution. You should invest in a solution that lets employees handle things, such as enrolling in benefits, swapping shifts, viewing pay statements, requesting time off, checking performance reviews, and 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.



49% of workers will likely quit their current job if they feel unhappy or frustrated with the technology they use at work.⁵



TARGET AREA:

END-TO-END PARTNERSHIP

Technology is only as great as the people behind it, so when you choose an HCM solution, be sure it's backed by experts who are always there to ensure you feel known, supported, and confident while achieving your long-term business goals. The vendor should create meaningful, lasting relationships to enable you to get the most from your solution by proactively supporting you and your people, from day one, with a team of experts and trusted advisors. That's what a partner for life looks like, delivering exceptional value to help your organization remain successful today and tomorrow.



For help identifying representatives from employee, manager, executive, and administrator roles, see *Worksheet 3* 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.

Ask these questions to get an understanding of the level of service and support you'll get:

- **How does the HCM solution vendor get you started on the right foot after signing the contract?**
Above all, your implementation should be stress free, setting the foundation for a strong start and a solid long-term relationship. From the get-go, you should have access to collaborative tools and resources and best practices from implementation experts to ensure a smooth process.
- **What learning and training opportunities and resources does the HCM solution vendor offer?**
You should have access to all the training, learning, and tools you need to be successful included with your solution, not as add-ons. Ensure the vendor provides all the resources you need to grow your expertise and help your people get the most out of your solution.
- **What does the support model look like?**
You and your teams have complex jobs and busy days, and the HCM solution vendor should have your back every step of the way to ensure you have more time to do what you do best — take care of your people. So what should that support look like? There's no cookie-cutter approach, but there should be multiple channels for capable representatives to assist you with major milestones, day-to-day support inquiries, critical or deadline-sensitive situations, and any other solution-related needs your organization may have.
- **Are there forums for interacting with other customers to build a community, get tips, collaborate, and have questions answered?**
Getting connected with other customers unlocks a wealth of insights and gives you an idea of how the HCM solution 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. A best-in-class vendor will also host events, such as conferences and webinars, to provide you and your teams with the opportunity to grow your expertise, expand your professional network, influence their products, and engage with their experts.
- **Does the HCM solution vendor offer other important services that could add value to your business?**
Sometimes you may need help with burdensome processes, such as tax filing and post-payroll processing. A partner for life provides managed services to simplify the complex, freeing up your time to focus on more important and strategic initiatives. They'll also offer consulting and advisory services to support change management, engagement, mergers and acquisitions, and other important initiatives.