

HCM Requirements Building Checklist

When building your requirements checklist for an HR and payroll system, consider an HCM solution that helps drive performance using comprehensive technology, compliance services, actionable data and unmatched HR experience. Look for solutions that are flexible and agile enough to scale globally, deploy easily and meet the unique needs of your business. Also, ensure that you collaborate with your peers in HR, payroll, finance, procurement, and other key stakeholders as you build out requirements.

The following are the most common business goals in evolving organizations and the corresponding HCM features, capabilities and technologies that can help achieve them. Use these criteria to evaluate solutions you're exploring or as a starting point to build and prioritize your requirements list.

1 Increased profit and productivity

At its core, an HR and payroll system increases productivity by streamlining workflows, reducing the effort required to stay compliant, relieving administrative burden and improving bottom-line financial results. This type of system can help elevate HR to a more strategic position in your organization.

Look for a vendor that offers:

- Strategic use of resources
- Automation of any processes you are still performing manually, including data sharing
- Administrative efficiencies that can reduce costs
- Streamlined processes that can help increase productivity and drive growth and profitability
- Services that help reduce the effort required to comply with ever-changing regulations

2 Widespread HCM technology adoption by all users

Employees expect interfaces that mirror the mobile apps they use in everyday life. HCM vendors typically can deliver this technology.

Look for systems and services that offer:

- Mobile-enabled, self-service portal for managers, employees and contingent workers
- A simple and engaging hiring process from applicant's first touch
- Manager tools that streamline workflows
- Single sign-on for HR applications
- A shared source of employee data to reduce redundancy and errors and increase productivity
- Interconnected apps for isolated tasks that integrate easily into the HCM system
- Simplified, mobile-enabled benefits enrollment
- Financial wellness programs for employees
- Personalized pay options, including pay method (direct deposit, pay card, etc.), pay frequency and access to earned pay in emergencies
- Flexible, adaptable technology



The key talent benefits of an HCM System:

- Increased productivity from shortened recruitment cycles
- Significant cost savings from resume sorting automation
- Lower employee turnover as a result of better employee lifecycle management
- Intelligent and data-based compensation and rewards systems

Source: HR Technologist, *Selecting an HCM Solution*, 2018

Artificial intelligence for talent acquisition, HR service delivery, improved personalization, performance management, business intelligence and data analytics

Chatbot technology

Workflow automation to increase efficiency

3 Support for talent strategy

Not all HCM providers are capable of balancing the needs of both HR and employees. Evaluate whether a vendor can help align your talent strategy with your business goals to increase employee engagement.

Look for systems that offer:

Support for all of your recruitment and hiring tasks

Easy-to-use onboarding technology

Compensation package benchmarking

Candidate sourcing and applicant tracking tools

Support for hiring, managing and budgeting for contingent workers (contractors and 1099 employees)

Training and career development

Scheduling and absence management

Ability to manage tax credits and incentives tied to your workforce management practices

4 Actionable data insights

In an increasingly data-rich world with increasingly data-literate workers, a system's ability to yield accurate and actionable insights can set you apart from your competition.

Look for systems that offer:

A centralized data set for your HCM metrics

Easy-to-understand data visualization for non-technical audiences

Configurable analytics for custom insights

Industry-wide data for benchmarking

The ability to integrate HCM data with other business metrics

Predictive analytics that enable modeling and forecasting

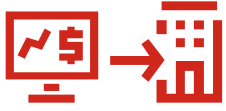
Access to analytics that will help empower decision making

Cloud-based data to minimize costs

Assessment of the most lucrative tax credits programs to pursue

\$468K

Average annual in-house data warehouse costs



71%

of companies see people analytics as a high priority

but only

8%

of organizations report that they have usable data that could inform business decisions.

Source: Deloitte Human Capital Trends, 2017

5 Ecosystem connectivity

HCM technology is an aggregate of multiple functions. A comprehensive solution can help integrate HR systems, process data, run reports and create a smooth end-user experience.

Look for systems that offer:

- Seamless integration between core systems: payroll, time and labor, benefits administration, HR and talent management
- Centralized employee records management
- Integrations with other enterprise systems
- APIs to develop your own custom integrations
- Data, workflow and tools that support agile teams
- Simplified reporting accessible to all users

6 Compliance support

Whether your business is local, global or somewhere in between, consider an HCM vendor that can help you maintain compliance. In addition to keeping the HCM technology updated with compliance regulations, an HCM vendor should provide compliance services to help you manage the myriad tasks required to stay compliant. Among other things, you need to manage your compliance obligations related to tax filing, wage garnishment, administration of pay cards and other pay methods, Affordable Care Act (ACA) and related healthcare statutes, hiring, training and tax credits and incentive management.

Look for an HCM vendor that offers:

- Global and local expertise
- Experts who interact with agencies on your behalf in all your company's geographies
- Consistent, reliable updates of regulatory changes
- Payroll and tax compliance
- Support for management of ACA and other healthcare regulations
- Unemployment claims administration
- General Data Protection Regulation (GDPR) compliance
- Real-time alerts and notifications of compliance risk from time and attendance, payroll and benefits systems

7 Data security and privacy

Technology enables cloud-based data, mobile access and virtual collaboration across different physical locations, but also necessitates robust data security protocols.

Look for systems that offer:

- Global privacy and data protection
- Proactive, public-facing security alerts
- Operational risk management
- Fraud and diversion management
- Critical incident response
- Push technology for security updates



Average cost of a data breach is **\$3.92 million**

Source: 2019 Cost of a Data Breach Report, Ponemon Institute

Not every HCM solution will serve all of your needs, so it can be useful to rank your priorities. Start with those that are mandatory, followed by those that are optional. Keep in mind that global and multinational organizations have different requirements than U.S.-based companies, and various stakeholders in your business may have dissimilar priorities. Our Internal Stakeholders Guide can help you make sure you're considering the needs of your team members across all functional areas.



For more information about ADP's HCM solutions, please visit adp.com/enterprise

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8 Continuous maximization of your HCM investment

To get the most out of your HCM system, look for a partner that provides service beyond implementation, including a baseline for ongoing improvements and benchmarks to track progress. A provider that regularly enhances products and services, adopts best practices and supports your organization's strategic growth will help you sustain success for years.

Ensure you understand what the HCM provider offers in these key areas:

- The service model and support offered after implementation
- Ongoing product and compliance communication
- 30/60/90-day post-implementation plan
- Internal performance benchmarks across your organization (region, department, business unit, etc.)
- External benchmarks against similar organizations (same industry, geography, etc.)
- Dashboards to showcase performance, analytics to drill into details and alerts to identify potential problem areas
- Tools to measure employee engagement
- Artificial intelligence to interpret and evaluate data, and automation to continue to streamline workflows
- Capability to change processes, business rules and policies in response to changes in strategy or the business environment
- Periodic account reviews with stakeholders to evaluate performance against business objectives and plan for future needs
- Consultative services to evaluate processes, define best practices, and design new approaches
- Access to third-party HCM specialists
- Vendor-led conferences and events for HCM practitioners and leadership to foster networking and share knowledge among peers

9 Optimize your in-house HR and talent resources

Whether you are in a growth mode or downsizing, consider a vendor that can combine technology with a dedicated service team to optimize your in-house HR resources and reduce costs. HR touches many critical areas of your business: benefits administration, workforce management (time and attendance), talent management and payroll. It's complex, costly and constantly changing.

An HCM vendor that offers a Business Process Outsourcing model can help reduce costs and manage the complexity of human resources:

- Lower expenses for human resources staff, infrastructure, and technology
- HR teams freed up to focus on more strategic tasks
- Improved overall global operations through streamlined processes
- Stay up to date with compliance regulations
- Identify and leverage tax credit and incentive opportunities