



# 10 Tips for HCM Vendor Evaluation

Your payroll and HR systems cross every functional area in your company and are used by every employee. The right human capital management (HCM) solution can connect your people and workflows in a way that supports your daily operations, enables strategic growth across your organization and empowers employees, which leads to greater engagement. You may also want to go a step further with your new solution purchase and prepare for future growth with a scalable system and adaptable technology.



## Tip 1 Start with the future in mind.

Before you look at system features, take the time to define what you want to accomplish, change and improve so you can identify a solution that best meets both current and future potential needs. Look at the key initiatives coming from senior leadership and consider the role that technology might play in achieving success. HCM providers that perform a thorough needs assessment of your company to ascertain your current state and strategic goals can more effectively help you plan for implementation and adoption.

Think beyond traditional HCM, which typically focuses on HR only, and look for a solution that allows for a personalized experience to meet needs across your organization by function, location, team and individual. This will help support the growth and evolution that are vital to achieving your ideal future state.



## Tip 2 Ensure compliance.

Organizations today are expected to react quickly despite the complexity of managing diverse regions. Look for a vendor that can keep pace with the rapidly changing regulatory and statutory requirements at the global, national, state and local levels.

If your operations span multiple jurisdictions, states or countries, your payroll and HR needs will be more complex. You may need multilingual systems and support. You may also need to administer multinational payroll or serve a workforce made up of different types of workers with different pay preferences and levels of HCM needs.



## Tip 3 Prioritize security and privacy.

Today's digital landscape offers limitless possibilities, but also complex security risks. Security should be a top priority in choosing an HCM solution to ensure your business processes, infrastructure and data are protected. An HCM solution should deliver advanced services and technology for data security, privacy, fraud and crisis management.

Know exactly how your organization's data will be stored, transferred and backed up and how a potential vendor would handle fraud and crisis management. You might also want a provider that offers multiple layers of data backup and system redundancy if your company handles high volumes of critical data.



#### **Tip 4 Look for a proven implementation model.**

After core functionality, look for a provider with a successful implementation record. A robust implementation plan will get you up and running efficiently and provide your employees with support to keep things running smoothly. Look for a vendor with a successful track record for data conversion and integration with third party systems as necessary. In addition, make sure the vendor's implementation costs fall within your available budget and that you're protected against unexpected costs.

An effective change management strategy, an executive sponsor, a network of change champions and a clear employee communication plan will be key to a successful implementation. Advanced providers offer leading practices on change management and communications to help you effectively position new technology in your organization.



#### **Tip 5 Drive widespread adoption.**

Successful adoption of your new solution requires adequate preparation of your people, systems and data. You can often leverage the experience of your vendor and their client network to find the best practices based on your environment, industry, and strategic objectives. Also note, vendors with a broad network of HCM consultants and experts can connect you to third-party-validated HCM best practices that you can leverage.

Bring your people into the journey – and start early. Gaining stakeholder buy-in for solution purchase is critical in the beginning stages of a project. As you move through implementation, preparing end-users through change management, communications and training will help ease the transition for all levels of employees and greatly improves your chances of successful adoption of a new solution.



#### **Tip 6 Set yourself up for long-term success with the right service model.**

An HCM solution is only as strong as the support model behind it. When selecting a new provider, make sure the level of ongoing support is adequate for your needs and will support anticipated growth. It should also be flexible to meet changes in your workforce, regulatory and compliance requirements and emerging business trends.

Look carefully at implementation and service contracts and ask questions. Find out if implementation will be handled by the HCM vendor or a third party. Both options are acceptable, but you should know in advance so you can properly prepare. Your service plan should also specify who is responsible for day-to-day service, data conversion, ongoing data integration and system changes, and whether you will have a dedicated service team for ongoing support with deep domain expertise. If your organization is global, know whether you can expect the same level of support in each country or region.

Does the vendor have strategic advisors who can provide insights, ideas and leading practices? Look for a client community and advocacy program that allows you to provide insight to shape future product development, learning and educational opportunities and networking with other HCM professionals.



#### **Tip 7 Transform HCM data into a competitive advantage.**

Data can power better HCM decision-making, from optimizing scheduling to developing competitive compensation packages. To truly make your data work for you, look for a vendor that can help evaluate your data analytics needs and apply the insights generated to support your organization's growth. Best practices include a centralized data set for all

HCM metrics, configurable analytics for custom insights, industry-wide data for benchmarking, and predictive analytics for modeling and forecasting. Empowering all levels in your organization with real-time insights, embedded in the flow of work, promotes better decision making. Don't risk data inconsistencies or struggle with duplicate versions of the same data. Look for a vendor with a best-practice approach to "one version of the truth," with proven technology to share data widely, yet without putting data integrity at risk.

### **Tip 8 Evaluate both a vendor's history and investment in the future.**

The process of vendor evaluation and implementation is not something you want to repeat more often than necessary, so look for a provider who can take you into the future. At the enterprise level, you want to partner with an established, financially stable vendor whose technology and service model will support your ongoing needs. Additionally, look for a provider who values and invests in innovation and is committed to addressing new business challenges that arise from an evolving workforce. And also ensure your selected partner is financially strong, with a long history of stable ownership, consistent financial performance and transparent financial results.

### **Tip 9 Look for an HCM partner who can help evolve your people strategy.**

The functionality of your payroll and HR systems should support workers through every step of the employee lifecycle. Not all providers offer the same level of talent support. The right solution can provide tools and strategy to help your HR team foster engagement and maximize recruitment, performance and development.

While your business likely faces tactical and competing priorities, your HR solution should help you more closely align your talent strategy to support business goals. Not all providers can balance the needs of both your HR organization and your employees, and you should evaluate vendors based on their ability to align with and support your people strategies that ultimately impact business outcomes.

### **Tip 10 Validate with outside-in perspective**

Peer reviews, third-party HCM consultant and industry analyst feedback, and vendor and product demos can provide valuable input to your vendor evaluation process. Outside experts and peers who have implemented vendor solutions can help inform and validate your decisions. Some websites that provide peer reviews of HCM solutions include Trust Radius, G2, Gartner and Software Advice.

The right HCM technology offers so much more than administrative capabilities. Providers that use the latest technology and analytics practices can help take your organization to the next level. You'll be better positioned for strategic growth and able to proactively meet workforce, technology and data trends.

