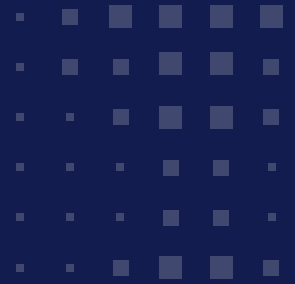




# Ten tips for HCM vendor evaluation



Your payroll and HR services cross every functional area in your company and are used by every employee. That's why it's important to find a human capital management (HCM) system that can connect people and workflows in meaningful ways. The right solution may support your daily operations, enable strategic growth, help reduce compliance risk and improve employee engagement.



## Tip 1 Identify future HCM requirements

Before you evaluate HCM system features, define what you want to accomplish, change and improve. Look at the key initiatives of your senior leaders and consider the role that technology and related services might play in achieving their goals. You may also want to weigh the value of personalized experiences, which can help meet needs across your organization by function, location, team and individual. By thoroughly assessing your current and future HCM requirements, you can more effectively plan for implementation and adoption.



## Tip 2 Ensure HCM system compliance

Today, organizations are expected to react quickly despite the difficulty of managing diverse regions. And, if your operations span multiple jurisdictions, states or countries, your payroll and HR needs will be more complex and the requirements to stay compliant much more complex. You might need multilingual systems and support, as well as multinational payroll, and you'll need to remain compliant with ever-changing legislation.

The ideal HCM system and associated services must keep pace with the rapidly changing regulatory and statutory requirements at the global, national, state and local levels. It would also be capable of serving a diverse workforce with different pay preferences and HR needs.



## Tip 3 Prioritize HCM security and privacy requirements

Today's digital landscape offers limitless possibilities, but comes with complex security risks. You need to ensure your business processes, infrastructure and sensitive information are protected at all times.

When choosing an HCM system, know exactly how your organization's data will be stored, transferred and backed up. You may want multiple layers of data backup and system redundancy if you handle a high volume of critical information. HCM systems should also deliver advanced services and technology for privacy, fraud and crisis management.



#### Tip 4 Transform HCM data into a competitive advantage

Empowering all levels in your organization with real-time insights, embedded in the flow of work, promotes better decision making. Best practices for HCM analytics include:

- A centralized data set for all HCM metrics
- Configurable analytics for custom insights
- Industry-wide data for benchmarking
- Predictive analytics for modeling and forecasting
- Ability to take advantage of various tax credits and incentives

An HCM system can help with these measures. Look for providers who have experience using analytics to drive business growth, and technology that lets you share data widely without compromising its integrity.



#### Tip 5 Look for a proven HCM system implementation model

A robust implementation plan will get your HCM system up and running efficiently and provide your employees with support to keep things running smoothly. Such plans may include a change management strategy, executive sponsorship, a network of change champions and clear messaging.

Look for HCM vendors that have a successful track record with data conversion, third party integration and change management. In addition, make sure the vendor offers flexible financial models, the implementation fees fall within your available budget and that you're protected against unexpected costs, such as those from a third party integrator or API.



#### Tip 6 Drive widespread HCM system adoption

Successful adoption of your new HCM system requires adequate preparation of your people, processes and data. Securing stakeholder buy-in during the beginning stages of the project is critical. And as you move through implementation, preparing end-users with change management, communications and training helps ease the transition.

For HCM adoption tactics specific to your environment, industry or strategic objectives, you can rely on the experience of your vendor. Some have a broad network of consultants and experts who can connect you to third-party-validated HCM best practices.



#### Tip 7 Set yourself up for long-term success with the right service model

An HCM system is only as strong as the support model behind it. Quality service plans anticipate growth and can adapt to changes in the workforce, regulatory and compliance requirements, and emerging business trends. The service model that compliments your HCM system should help manage the hundreds of post-payroll tasks necessary to stay compliant and interact with various agencies on your behalf when questions arise.

#### Questions to ask about HCM service plans:

- Who will be responsible for day-to-day service, data conversion, data integration and system changes?
- Does the provider have strategic advisors who can provide insights, ideas and leading practices?
- Will you have a dedicated service team with deep domain expertise for ongoing support?
- If your organization is global, will you have the same level of support in each country or region?
- Does the vendor offer an advocacy program that allows you to provide insight to shape future product development?
- Is there a client community where you can learn from and network with other HCM professionals?
- Does the vendor have compliance experts who will help manage tasks associated with taxes, garnishments and other work that often falls to HR departments?



### Tip 8 Evaluate an HCM vendor's history and investment in the future

Implementing an HCM system is not something you want to repeat more often than necessary, so it's important to partner with a provider who can grow with you. A vendor whose technology and service model are capable of supporting ongoing needs often:

- Values and invests in innovation
- Addresses business challenges that arise from an evolving workforce
- Has a long history of stable ownership and fiscal stability
- Provides 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 all employee types (salary, hourly, contractor, freelancer, etc.) through every step of the employee lifecycle. The right HCM system may help your HR team foster engagement and maximize recruitment, performance and development. It can also more closely align your talent strategy with your business goals, allowing you to balance the needs of both your organization and your employees. In addition, an HCM partner can consult with you to assess and leverage various tax credits and incentives for which you may qualify based on your hiring and workforce management practices. This may help improve your bottom line.



### Tip 10 Validate HCM systems with outside-in perspective

Outside experts and other professionals who have implemented HCM systems can help inform and validate your decisions. Look at peer reviews, third-party consultant and industry analyst feedback and vendor and product demos. 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 who 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.



For more information about ADP's HCM solutions, please visit [adp.com/enterprise](https://adp.com/enterprise)