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There's one area of your business that impacts the daily experience of every person across your organization — HR. That's why it's important to find a human capital management system that can connect people and workflows in impactful ways. However, selecting the right HCM vendor is not just about choosing a solution — it's about forming a strategic partnership that can meet your needs today and as your global organization continues to evolve. As HR and payroll becomes more complex, it's critical to choose a vendor that can support you through every stage of your journey.

With the right vendor, you can navigate complex regulations across geographies, cultural nuances and local requirements with ease. In this guide, we've outlined 9 key areas to help you evaluate HCM vendors, ensuring you select a partner that supports your global workforce and aligns with your strategic goals.

## 1. COULD ONE VENDOR DO BOTH HR AND PAYROLL?

You'll want the simplicity of working with ONE provider that knows your organization and brings a consistent experience to everyone.

Avoid fragmented solutions that create data silos and complex coordination. **A unified, all-in-one HR/PR, benefits, and talent management system streamlines operations and ensures a seamless experience for HR teams and employees**. Managing multiple suppliers also complicates expansion, diverting focus from growth.

Your payroll and HR solution should support all employee types (salaried, hourly, contract, freelance and unionized) throughout their lifecycle. The right solution helps HR drive engagement, recruitment, performance and development while aligning talent strategy with business goals to balance organizational and employee needs.

## 2. QUESTION ANY CLAIMS ABOUT GUARANTEED COMPLIANCE

You're expected to react quickly to compliance requirements despite the difficulty of managing diverse regions. And, if your organization spans multiple jurisdictions, states or countries, your requirements to stay compliant within payroll and other HR functions becomes 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.

**While some providers tout comprehensive, "guaranteed" compliance solutions, it's crucial to press them on the details. What specific mechanisms are in place to track legislative changes in each region you operate in?** Are they equipped to scale with your business as you expand globally? Do they offer not only compliance assurance but also insights into trends in workforce management, employee engagement, retention and data analytics?

Look for vendors with proven approaches to stay ahead of the curve with technology, support and resources to keep up with compliance updates, broader workforce trends and workforce expansion needs to position your organization for success.

## 3. ASK FOR SPECIFIC PROTOCOLS REGARDING SYSTEM SECURITY AND DATA PRIVACY

You want to be sure business processes, infrastructure and sensitive data are secure — especially across borders, and even more so with varying regulations that define how you protect it. Compliantly safeguarding this information requires robust security protocols and privacy measures tailored to different legal and regulatory environments.

When evaluating HCM vendors, ask how they manage data storage, transfer, and backup, specifically in the context of global operations. **It's important to challenge any vendor who can't provide security documentation like SOC reports or GDPR compliance policies.** How do they help ensure compliance with local data privacy laws, and how do they secure data flows across borders? For organizations handling large volumes of sensitive data, inquire about the vendor's multi-layered backup systems, redundancy strategies, and data encryption methods.

## 4. DIG DEEP INTO HOW THEY'RE LEVERAGING AI

Start by understanding the specific tactical features of the vendor's AI offering. **Look for capabilities such as predictive analytics for workforce planning, automated recruitment, and tools that streamline payroll processes or identify errors.** These AI-driven features can significantly enhance HR efficiency, providing real-time support for employees, simplifying administrative tasks like benefits selection, and offering personalized guidance. However, it's important to remember that **not all AI is created equal**. The effectiveness of AI in HR depends not just on the technology itself, but on the quality and reliability of the data it's built upon.

Push hard on AI models — and **ask the vendor if their AI has been trained on accurate, real-world HR data, and whether it leverages regulated datasets to ensure both relevance and precision.** Inquire about the methods they use to ensure data integrity and whether they comply with privacy standards like GDPR or CCPA. It's crucial to ensure the AI solution will elevate your existing systems, not merely replace them. The right AI should enhance the tools you already use, enabling smarter decision-making and more efficient workflows.

Finally, confirm that the vendor's AI approach adheres to ethical guidelines, utilizing transparent and secure data practices to protect both employee privacy and organizational integrity. Be particularly vigilant about how the AI models are trained — demand transparency on this. AI that relies on unverified, publicly available data, rather than your own trusted sources and corporate policies, could introduce risks that compromise both effectiveness and security.

## 5. ASK WHAT KIND OF OPERATIONS AND STRATEGIC INSIGHT THEIR SOLUTION CAN PROVIDE — AND HOW EASILY

To drive meaningful business outcomes, your organization needs real-time, actionable insights that empower decision-makers at every level. With advanced AI, natural language processing, machine learning, and up-to-date reporting capabilities and more, **your HCM partners should equip you with the tools to leverage your workforce data for a strategic advantage**. Centralizing workforce data is crucial for gaining a clear, holistic view of how teams collaborate and perform, while seamlessly connecting payroll and HR data ensures streamline processes with more accurate insights.

**Look for best-in-class HCM analytics capabilities, including:**

- A centralized, unified dataset for all key HR metrics

- The ability to pull insights from validated workflow examples

- Configurable analytics for customized, real-time insights

- Industry-specific data for accurate benchmarking

- Predictive analytics for accurate modeling and forecasting

- Tools to optimize tax credits and incentives

An intelligent HCM system should enable these capabilities, offering not just powerful analytics but the flexibility to share data securely across teams. Choose a provider with a robust and proven dataset, cutting-edge innovation in technology and a solid compliance and privacy practice expertise to unlock your potential and ensure data integrity across the organization.

## 6. UNDERSTAND THE STEPS TAKEN FOR A SUCCESSFUL GO-LIVE

Success starts with implementation. Ask global HCM vendors about their implementation model to ensure it aligns with your organization's specific needs and scalability. **Understanding the vendor's implementation approach helps to assess the level of support, timelines, and customization options available for a seamless integration.** Additionally, knowing how the vendor handles global complexities, such as compliance and localization, can prevent costly delays and ensure a smoother rollout across multiple regions. Guard against vendors that require payment prior to the start of implementation, and be sure to ask questions around data conversion, third-party integration and milestones.

Additionally, ensure that the vendor you choose offers flexible financial models, that 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, or even implementation of a module you are not yet taking live. Whether it's recommending processes to create efficiencies, helping you manage the security and integrity of your data or suggesting a path to success you hadn't previously considered, an implementation team is there to ensure your new solution delivers as promised.

## 7. HOW CAN THEY HELP YOU DRIVE WIDESPREAD ADOPTION IN YOUR ORGANIZATION?

Successfully adopting a new HCM system goes beyond just implementing technology — **it requires careful preparation of your people, processes, and data.** Securing stakeholder buy-in early is crucial, and as the implementation progresses, **providing end users with change management, clear communications, and comprehensive training will ease the transition and increase acceptance**. Well-structured training programs are essential to ensure users not only understand the new system but feel confident in utilizing it to its full potential. Continuous education, both during and after the rollout, ensures long-term engagement and proficiency.

To ensure success, ask your vendor about their proven adoption strategies, tailored to your organization's specific environment, industry, and strategic goals. Leverage their expertise in integrating the latest technologies, like AI, to deliver intuitive, personalized experiences that make adoption smoother and more engaging. A vendor with a broad network of consultants and access to third-party-validated HCM best practices can further support your team, ensuring a more seamless, effective rollout and long-term success. Inquire specifically about the training resources they offer — whether through hands-on workshops, eLearning modules, or on-demand support — to ensure your employees are well-prepared to fully embrace the new system.

## 8. HOW WILL THIS VENDOR SET YOU UP FOR LONG-TERM SUCCESS?

Your HCM solution is only as strong as the support model behind it. **Quality service plans anticipate your growth and can adapt to changes to the workforce, regulatory and compliance requirements, and emerging business trends.** A strong client success model ensures you're not navigating HR complexities alone, providing you with hands-on, proactive support tailored to your unique needs.

You should look for a partner that not only looks to get you up and running on your solution but also looks to identify value to add to your organization for the lifetime of the partnership. The right partner anticipates your organization's growth and evolving business objectives, offering expert insights, best practices, and global perspectives. They provide ongoing guidance, helping you manage everything from compliance tasks to post-payroll processes, while offering actionable recommendations to turn insights into results. The right vendor is an HCM expert that can provide best practices and customized recommendations to turn your insights into action and maximize your investment.

## 9. WHAT IS THEIR HISTORY? HOW DO THEY PLAN TO INVEST IN THEIR SOLUTIONS IN THE FUTURE?

Implementing an HCM solution is a significant investment, and it's crucial to partner with a provider that is reliable. **Look for a vendor whose technology and service model are built to support your long-term goals and changing needs, and who:**

- Continuously invests in innovation to stay ahead of industry trends

- Understands and addresses the challenges of an evolving workforce

- Has a proven history of stable ownership and strong financial health

- Provides transparent financial reporting and performance metrics

- Demonstrates a successful track record of HCM implementations

- Brings extensive thought leadership and industry expertise to the table

It's also important to consider how long the vendor has been in business and their track record for innovation. A company that's been around for 10–15 years may not have the same level of experience or established reputation as industry leaders who have decades of payroll and HR experience. Longevity can be a sign of stability, reliability, and a proven ability to adapt to changing market demands — key factors when evaluating the long-term value of an AI solution.

A trusted HCM vendor not only provides innovative, scalable solutions but also offers the expertise and flexibility to adapt to your evolving business needs. By focusing on ongoing support and effective implementation, you can empower your HR teams to drive engagement and performance, reducing compliance risks and fostering employee satisfaction. Ultimately, the right HCM vendor will be a key ally in navigating the complexities of a global workforce and achieving your long-term business objectives by prioritizing flexibility, intelligence and human-centric technology.

To learn more about human capital management designed for the evolving needs of global organizations, visit **adp.com/LyricHCM**

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