STAKEHOLDER PRIORITIES

Aligning your team during the HCM evaluation process

When you involve the right stakeholders from across your organization to decide on which HCM system to invest in, you can drive consensus by focusing on three areas:

01. Addressing both HR goals and the broader business goals HR supports

02. Meeting technology and data security requirements

03. Navigating budget, procurement and compliance considerations

Getting buy-in from key internal stakeholders during an HCM evaluation process is critical to ensuring a smooth transition. This guide provides suggestions on how to meet that challenge.

During the vendor evaluation process, be prepared to answer their questions, concerns and objections. This involves understanding and aligning with their key considerations in each of the functional areas and how a new HCM solution can help support their business goals, priorities and work.

Stakeholder considerations

Executive leadership team

- Maintain a competitive advantage
- Supports enterprise digital transformation efforts
- Vendor's process and point of view aligns with values and strategy
- Effectively solves an existing or anticipated problem
- Change will not significantly affect productivity or ability to meet goals

Information technology

- Integrates with existing systems and programs
- Data and information is secure and compliant with privacy laws
- Resources needed for implementation, integration, training and adoption
- Solution fits overall enterprise architecture strategy

Finance

- Keeping costs down while continuing quality
- Data timeliness
- Impact on efficiency and budget
- New metrics or analytics that affect finance reporting

"To select the right tools for our business, we have to dig deep into what our organization truly needs. We have to understand the business problems we're trying to solve. To accomplish this, it's a cross-functional effort and getting key stakeholders engaged from day one is a make or break."

— Josh Bersin
Global Industry Analyst
Josh Bersin Academy
Four Key Steps to Selecting
the Right HR Tech

Human resources

- Aligns with how we work, learn and measure performance
- Offers new insights and reporting
- Improves processes for individuals and teams
- Reduces administrative burden
- Keeps us in compliance with employment laws everywhere we have workers

Procurement

- Gives us the best value for investment
- Meets our vetting process and requirements
- Is compatible with other contracts, licenses, requirements and planned purchases

Addressing HR and business goals

Will this solution help us maintain a competitive advantage?

HCM software can give organizations competitive advantages through:

- People analytics to quickly and easily understand what is happening and what is changing so you can address issues before they become problems, predict changes and plan effectively
- Automation to streamline processes and reduce costs
- Insights into how your organization and teams really work, what they need to be successful and how to effectively manage both people and work

Does this solution align with our values and business strategy?

Integrity, ethical business and data practices, and concern for people and the environment all matter to today's leaders. HCM solutions should support your organization's values and help you achieve your business and talent strategy from hiring to compensation to performance and engagement.

For global companies, you want an HCM solution that works everywhere you do and can handle the compliance and practical differences and scale with your footprint.

Does this solution help us solve an existing or anticipated problem?

Work and the ways we work are always changing. Continued growth means adapting to change and being ready for the next thing. Your HCM solution should not only help you solve an existing issue, but also grow with you and offer information and insights while streamlining processes.

Leaders recognize that changing an organization's approach to HR can be very **challenging.**

31%

of C-suite respondents identified it as one of the **three most difficult trends** in this year's report.

Does this solution align with how we work, learn and measure performance?

HCM vendors design their systems around a philosophy of people management. Know whether it's based on research and has been validated. Understand what communication and management approaches the HCM solution uses and how it defines engagement and measures performance. Then, decide if the new point of view and methods will work for your organization, both now and where you want to be.

Will investing in this solution affect productivity and our ability to meet goals and how fast can we complete the transition?

Implementing a new solution and changing how things are done may naturally cause feelings of concern. When evaluating timing, change and how the organization adjusts, weigh the initial adjustment period against the longer-term savings. More efficient processes, new capabilities and people focused on providing great products or services to your customers are all key advantages to consider.

This is an area where finance can help you calculate the ROI. Ask them for help with this analysis and be sure to get all the information they need to make the assessment. It's important to make sure that the acquisition process has enough time and resources to be successful. You should also consider a solution provider who can help make the transition work for you. Engage a vendor who has tools and resources to help you find points of value throughout your workforce management system.

Will this solution offer new reporting and insights and will it impact our metrics, processes and access to data?

With a new HCM solution, you will probably be tracking, measuring and accessing new data and reports. Determine what the new information will tell you and how you can use it. This is a key aspect of value that goes beyond simple reporting. Look for solutions that will offer clear, useful and timely analytics and insights.

This is also a good time to figure out what makes sense to continue and what should change. Understand how and whether your current data and metrics will transition to the new solution.

Know how the new solution will affect the work of your stakeholders. Will it change what gets measured or impact their performance metrics and KPIs? If there are changes, review the pros and cons with your stakeholders so they can provide informed feedback.

Also, be ready to show stakeholders what data is available and why it matters to them. Explain how to access it and use it with other data in the solution.

Does this solution reduce administrative burden and improve work processes for individuals and teams?

Most software takes repetitive tasks and automates them so people can focus on more substantive work. Some newer solutions offer assessments or predictions that may require care in how they are used and applied, especially when making decisions about people and careers.

The average enterprise B2B buying group consists of 5–11 stakeholders, who represent an **average of 5 distinct business functions**.

Source: Gartner B2B Buying Report 2024.

Buyers who made a digital self-service purchase are **1.65x more likely to regret a purchase** than traditional, rep-led buyers. Rep-assisted digital purchasing paths cut buyer regret by **50%** compared with self-service.

Source: Gartner B2B Buying Report 2024.

The best solution in the world won't help you though if nobody uses it. To get user buy-in, be sure to understand how it will benefit anyone using it and be prepared to offer specific training that meets various user needs. It's important to assess where you will be achieving time and costs savings and where you will be gaining insights that may require evaluation and more learning.

Meeting technology and data security needs

Will this solution work with our existing systems and programs?

Get IT involved at the beginning so you understand how your new solution will impact existing programs and systems. Having data that flows across functions and programs that play well together makes everyone's life easier.

This may mean looking at multi-function solutions from a single provider or through one provider's marketplace or platform that can be customized to what you need. Your existing programs may already work with one provider, but not others. This makes a difference in the time, effort and cost of a solution.

Will our data and information be secure and compliant with privacy laws?

Data security is a key concern for organizations, especially employee data that contains so much personal information. Also, new laws on data security, storage and deletion are going into effect yearly.

Make sure your solution provider is up to date on keeping data secure and the latest privacy compliance requirements in the U.S. and globally.

What resources are needed for implementation, training and adoption?

When people start using your new HCM solution, they will call IT with questions. That means your IT department must know what resources it should allocate to learning the new solution themselves, providing training and helping people as they learn the new tools.

IT needs to be involved throughout the decision-making, implementation and training processes so they can be ready to help the organization get up and running as quickly and smoothly as possible.

Is this solution better than trying to improve our own internal processes or create our own solution?

Although you may have the capabilities to build your own systems, it would be difficult to match the level of experience and expertise of a top HCM solution. In many cases, companies find building their own or improving existing processes to be more time-consuming and expensive in the long run. In addition to building the solution, internal resources would have to maintain it and keep it current with regulatory changes. This may not be something your organization is adequately prepared to do.

Navigating budget, procurement and compliance considerations

Will this solution meet our budget and practical needs?

Use a grid to compare vendor functionality so you can see and evaluate what's there, how it fits your needs, what new functionality is available, how costs compare and if there are additional third-party fees required to maintain the system post go-live.

Also, look at whether the solution can grow with you over time or if it will need to be replaced as you or technology are likely to change.

Will this solution give us the best value for our budget and investment?

Procurement has a valuable toolbox for evaluating a purchase, knowing how it fits with other investments and making sure all the requirements and approvals are met. Value is always a key question. So work with Procurement to make sure the process goes smoothly.

Your solution provider should help you understand the value proposition and be able to meet Procurement's need for information.

Does this provider meet our requirements and is it compatible with existing licenses, contracts and other planned purchases?

Sometimes, there are requirements that don't apply or new concerns that don't have a box to check off. Having someone on your team who speaks procurement is essential to a smooth purchasing process. It also helps to find a provider who is comfortable and willing to work with the procurement process.

Procurement and legal both have important lines of sight into your organization and can help determine which solution will work best for you. They can help you answer questions about overlapping solutions or a conflicting solution.

Will this solution help keep us compliant with employment laws everywhere we have workers?

There are many tasks you need to perform to comply with regulations even if you have just one work location. For global companies, tracking new laws can be time-consuming, expensive and full of risk.

Make sure your solution provider covers the locations, from local to global, for everyone who works for your organization and offers services to help manage the tasks necessary to remain compliant.

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

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