

HCM Requirements Building Checklist

Your human capital management (HCM) strategy is critical to the success of your business. That's why when evaluating HCM vendors, you should ensure that their solution addresses all of your challenges and needs.

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 own requirements list.

Goal: Increased profit and productivity

At its core, an HCM system increases productivity by streamlining workflows, relieving administrative burden and elevating HR to a more strategic position in your organization. HCM systems accomplish this to different degrees.

Look for systems that offer:

- ☐ More strategic use of resources
- ☐ Automation of all of your currently automated systems and of any processes you are still performing manually, including data sharing
- ☐ Administrative efficiencies that will lead to cost reductions
- ☐ Streamlined processes that increase productivity and drive growth and profitability

Goal: Widespread technology adoption by all users

Employees expect interfaces that mirror the mobile apps they use in everyday life and HCM vendors have the technology to deliver them.

Look for systems that offer:

- ☐ Mobile-enabled, self-service portal for managers, employees and contingent workers

- ☐ Simple and engaging hiring process from applicant's first touch
- ☐ Manager tools that streamline workflows
- ☐ Single sign-on for HR applications
- ☐ Shared source of employee data to eliminate redundancy and errors and increase productivity
- ☐ Interconnected apps for isolated tasks that integrate easily into the HCM system
- ☐ Simplified, mobile-enabled benefits enrollment for your employees
- ☐ 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
- ☐ Artificial intelligence for talent acquisition, HR service delivery, improved personalization, performance management, business intelligence and data analytics
- ☐ Chatbot technology
- ☐ Workflow automation to increase efficiency

Goal: Support for talent strategy

An HCM solution that helps increase employee engagement enables you to more effectively align your talent to support business goals. Not all providers can balance the needs of both your HR organization and your employees, and you should evaluate vendors' ability to align with your people strategies that ultimately impact business outcomes.

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

Goal: 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:

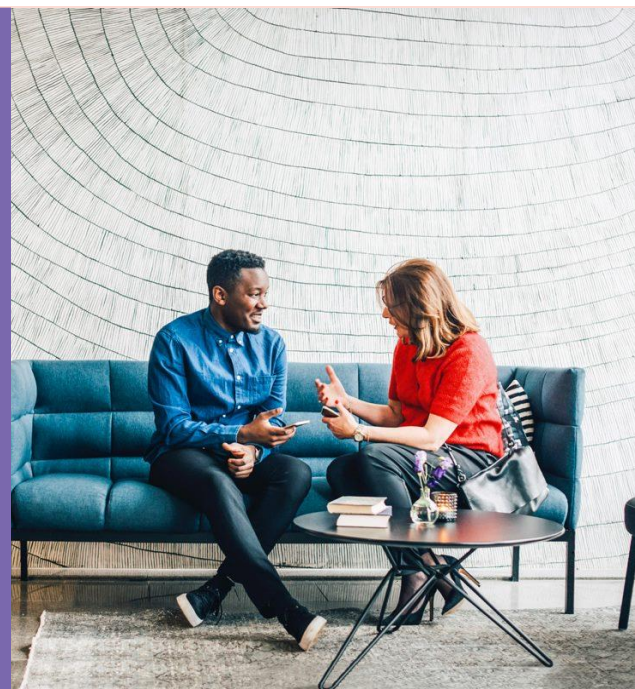
- ☐ A centralized data set for your HCM metrics
- ☐ Easy-to-understand data visualization for non-technical audiences
- ☐ Configurable analytics for custom insights
- ☐ Industry-wide data for benchmarking
- ☐ The ability to integrate HCM data with other business metrics
- ☐ Predictive analytics that enable modeling and forecasting
- ☐ Access to analytics that will help empower decision-making
- ☐ Cloud-based data to minimize costs



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



Goal: Ecosystem connectivity

HCM is an aggregate of multiple functional areas and systems. Evolving technology, including mobile and cloud, can provide seamless integration of HR systems, integrated data processing, reporting throughout the system and 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
- ☐ Available 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

Average annual in-house data warehouse costs

\$468K



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

Goal: Compliance support

Whether your business is local, global or somewhere in between, you need an HCM vendor that can ensure

continued regulatory updates and built-in compliance across your solution for accuracy and minimization of risk.

Look for systems that offer:

- ☐ Global and local expertise
- ☐ Consistent, reliable updates of regulatory changes
- ☐ Payroll and tax compliance:
 - Easy management of [employment taxes](#)
 - [Tax credit management and strategy](#)
 - [Wage garnishment management](#)
 - [Employment verification](#)
 - W-2 management
- ☐ [Health care compliance](#) support to meet the demands of the evolving Affordable Care Act landscape
- ☐ Unemployment claims administration
- ☐ General Data Protection Regulation (GDPR) compliance
- ☐ Local experts on legislative changes in all of your company's geographies
- ☐ Real-time alerts and notifications of compliance risk from time and attendance, payroll and benefits systems

Goal: 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

\$3.92 million

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

Goal: 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 establishment of a baseline for ongoing improvements and benchmarks to track progress. A provider that regularly enhances products and services, adopts best practices and helps support your organization's strategic growth will help you sustain success for years.

Ensure you understand what the provider offers in these key areas.

- The service support model and ongoing support offered post 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

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
www.adp.com/enterprise