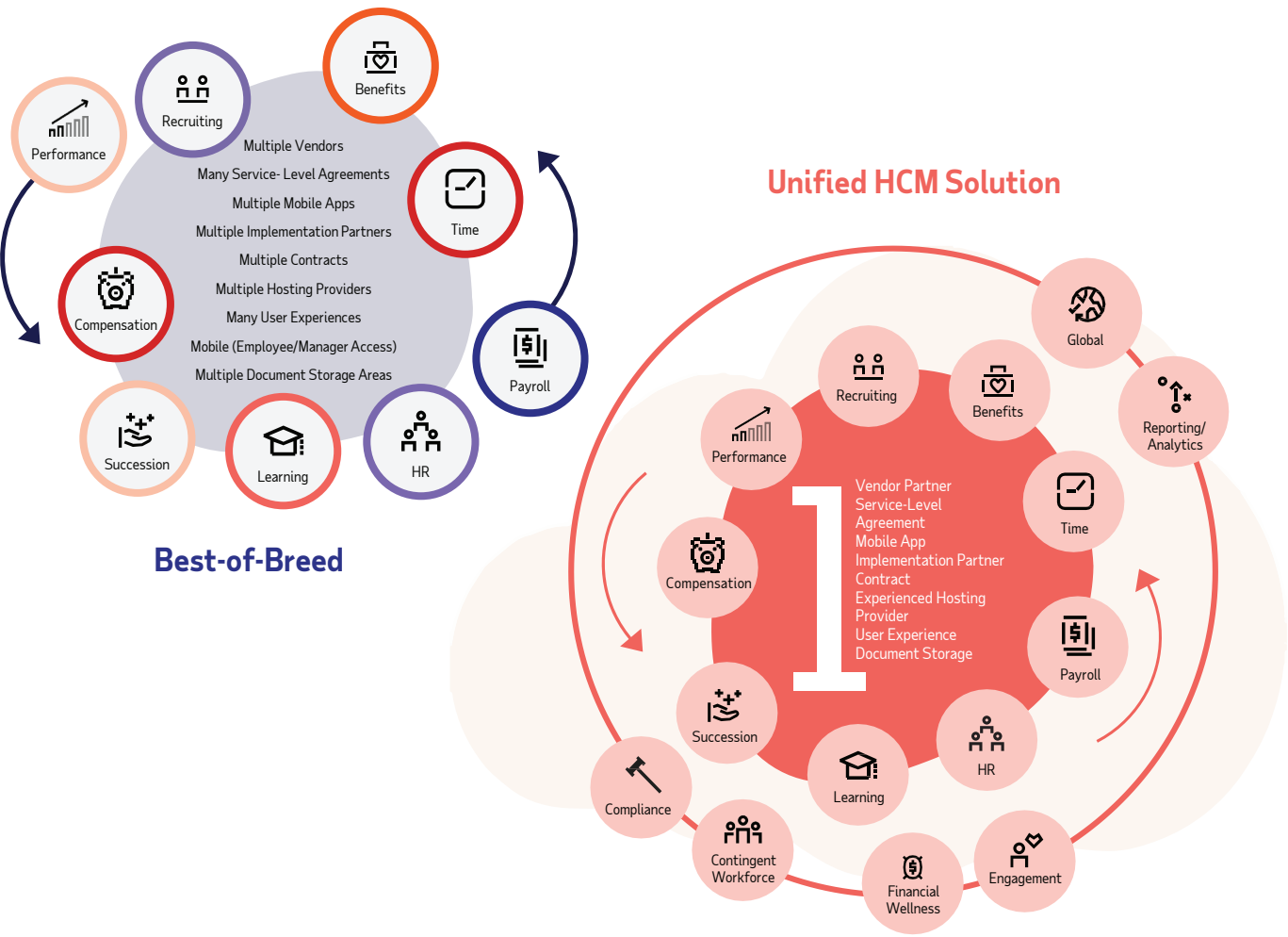# Preparing to Evaluate HCM

Your guide to a successful vendor selection

As technology and tactics have evolved, human capital management (HCM) evaluation has become more complex. Yet, the opportunity to deliver workforce optimization to your organization is still within reach. It's time to consider how to transform a cumbersome task into a strategic, goal-oriented process.

When selecting an HCM vendor, you have the option of working with one or many:

- **Best-of-breed solutions** acquire and deploy systems offering the best possible capabilities in a specific HCM functional area (e.g., HR, payroll, recruiting, performance, onboarding, compliance services, etc.)
- **Unified solutions** have one set of data that flows through every module, eliminating duplicate data entry, file transfers and human error
- **Customizable solutions** offer flexibility to enable your workflow

Best-of-Breed

Performance · Recruiting · Benefits · Time · Payroll · HR · Learning · Succession · Compensation

Multiple Vendors
Many Service-Level Agreements
Multiple Mobile Apps
Multiple Implementation Partners
Multiple Contracts
Multiple Hosting Providers
Many User Experiences
Mobile (Employee/Manager Access)
Multiple Document Storage Areas

Unified HCM Solution

Recruiting · Benefits · Global · Reporting/Analytics · Time · Payroll · HR · Engagement · Financial Wellness · Contingent Workforce · Compliance · Succession · Learning · Compensation · Performance

1
Vendor Partner
Service-Level Agreement
Mobile App
Implementation Partner
Contract
Experienced Hosting Provider
User Experience
Document Storage

Completing an evaluation of solution options and identifying your top choice is just one step in the process of selecting an HCM solution. In many ways, that's the easy part. The difficulty is often in **securing organizational support and buy-in** for the solution you choose.

Five keys to HCM evaluation

ADP®, in collaboration with Gartner*, has identified five key internal business considerations to help you navigate the HCM buying process.

1 **Determine organizational impact**

Having a clearly defined outcome for the project will help guide the decision-making process, ensure a successful implementation and ultimately result in a satisfied organization.

- Define the current business objectives/goals and the HCM challenges that may prevent you from achieving them

- Project the impact from not solving current challenges

2 **Construct a plan**

Once an overall outcome has been established, having a clear plan of action is critical for project success. Plan considerations may include:

- Outline the overall project scope

- Assess organizational and cultural impact

- Identify current systems and vendors that may be improved, modified or removed

- Develop the overall budget to justify the project financially:
  - Total Cost of Ownership (TCO) study on current infrastructure and processes
  - Return on Investment (ROI) of new project

- Assign a project team and leader (for both vendor consideration and overall implementation) and determine if these resources are available internally

- Evaluate current business projects/initiatives that may compete for the same resources

- Identify any internal or external security requirements

3 **Confirm internal stakeholders**

In addition to the initial project team and directly impacted staff, identify which business unit leaders may be impacted by the project and the potential change. Internal stakeholders from all your geographic regions should be represented to ensure engagement.

4 **Establish common and negotiable ground**

Once you construct a plan, assign a team and identify stakeholders, it is imperative to establish priorities and objectives.

- Familiarize yourself with your organization's approval process for this type of transformation project

- Determine budget availability

- Identify any vetting processes related to the use of an outsourced solution

5 **Secure stakeholder commitment**

To secure formal approval for an HCM vendor, present the solution to your organization's key decision makers and influencers. The presentation should include:

- Product demonstrations

- Business, financial and end user benefits

- Implementation processes and timelines

- HCM vendor's customer references

- Impact mitigation strategies

- Policies and procedures that would need modification

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

*Gartner (Formerly CEB), Driving Customer Consensus, Arlington VA, 2014.

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