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An HCM that's as mobile as you are.

RECRUITING | ONBOARDING | HR | BENEFITS | PAYROLL | TIME | ATTENDANCE | ANALYTICS | WORKFLOW | REPORTING

PDS® | HCM BUILT FOR YOU

Justifying an HCM and Payroll Purchase

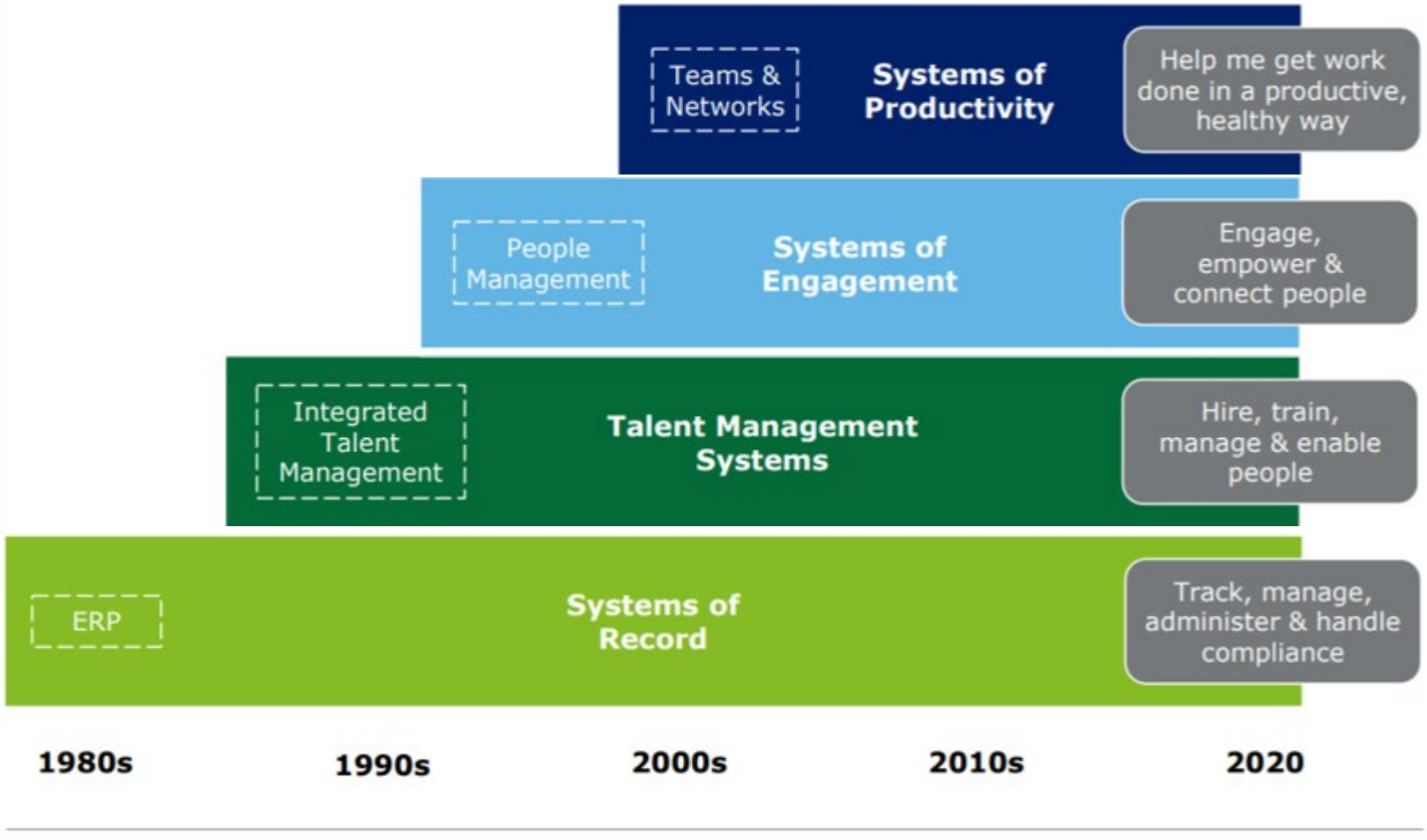
Pat Palmer, PDS President and CEO

TODAY'S PRESENTATION TOPICS

- How Technology Has Transformed HCM
- Steps on Your Path to Justifying a New HCM
- Helpful Resources

Transformation: Administration to Productivity

Figure 1: How the HR Software Market Has Evolved



Source: *Bersin, Deloitte Consulting LLP, 2017.*

Path to Justification

1. **Value**
   Gaining management approval
2. **Assessment**
   Identifying areas of improvement needed
3. **Research**
   Researching available products
4. **ROI**
   Calculating Return on Investment (ROI)

Path to Justification

1. Value
2. Assessment
3. Research
4. ROI

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Create Value: Gaining Management Approval

Defining your budget

- Gather financial & support history of current tools
- Clarify the project scope 2
- Estimate range of spending required 3
- Assess your level of service needs
- Calculate ROI 4

Gaining Management Approval

Pitch products from their perspective

- Identify the specific products and solutions needed 2
- Schedule meetings @ C-level to uncover specific issues
- Quantify your assumptions 4
- Gather “hard dollars” and “soft benefits”
- Reference industry resources where possible

1 Value

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Gaining Management Approval

Laying the groundwork

- Collaborate with senior levels of management
- Assess timing
- Exercise patience
- Use business cases to prove your point
- Prepare for hard questions

Path to Justification

1. Value
2. **Assessment**
3. Research
4. ROI

Clarify Areas for Improvement

Compliance

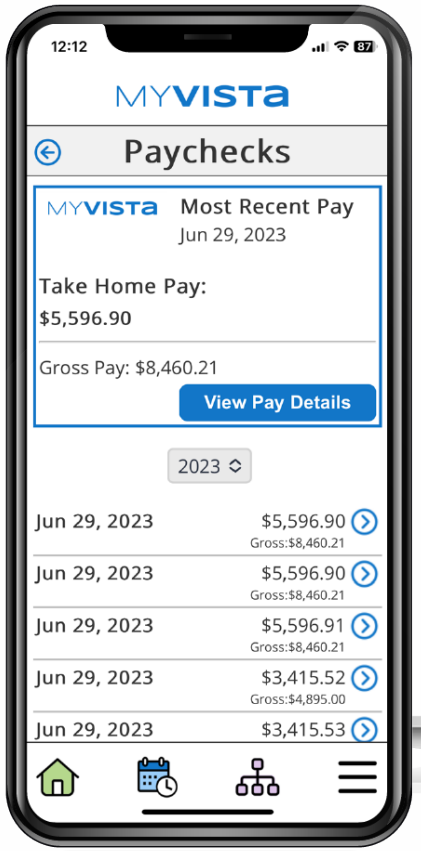
② Assessment

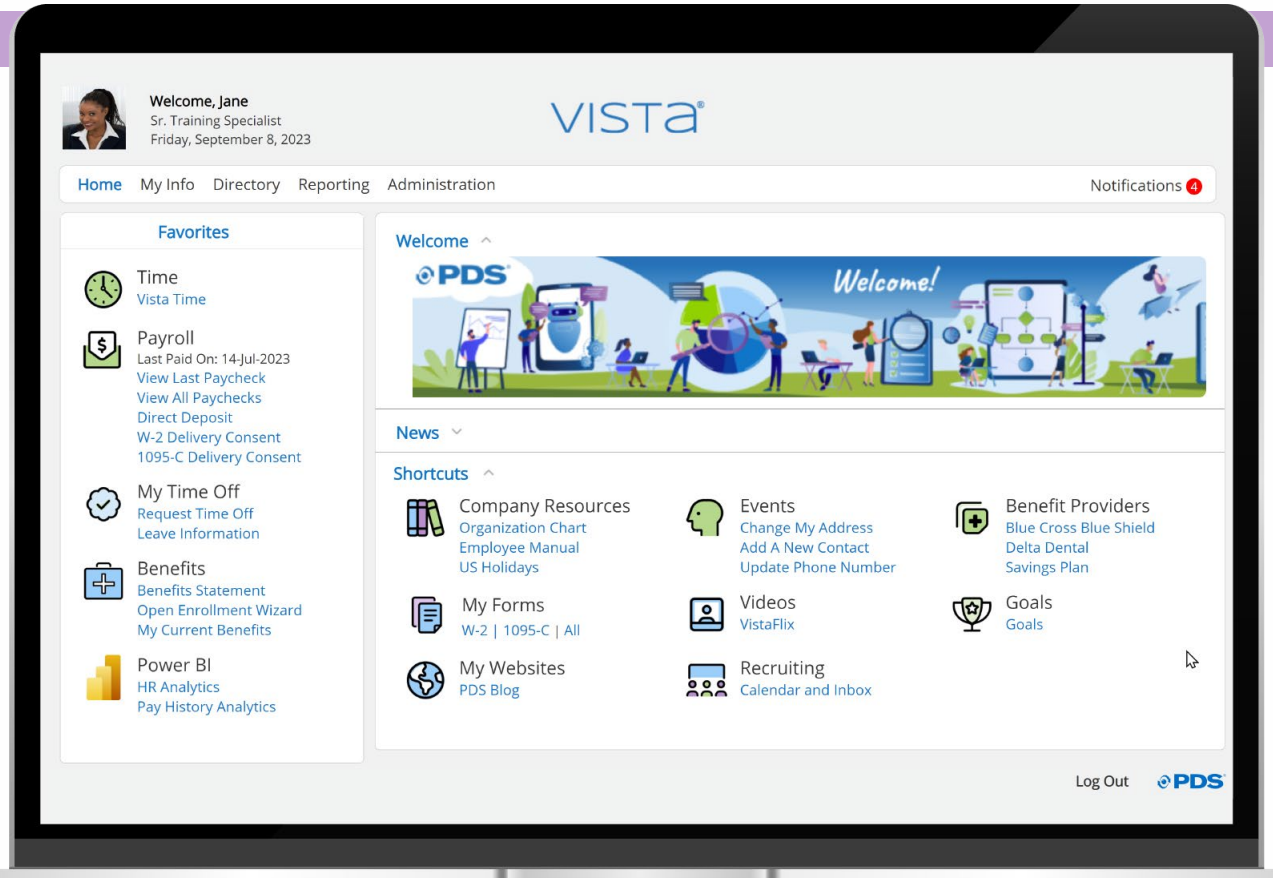
HCM Solutions, Wherever You Need Them

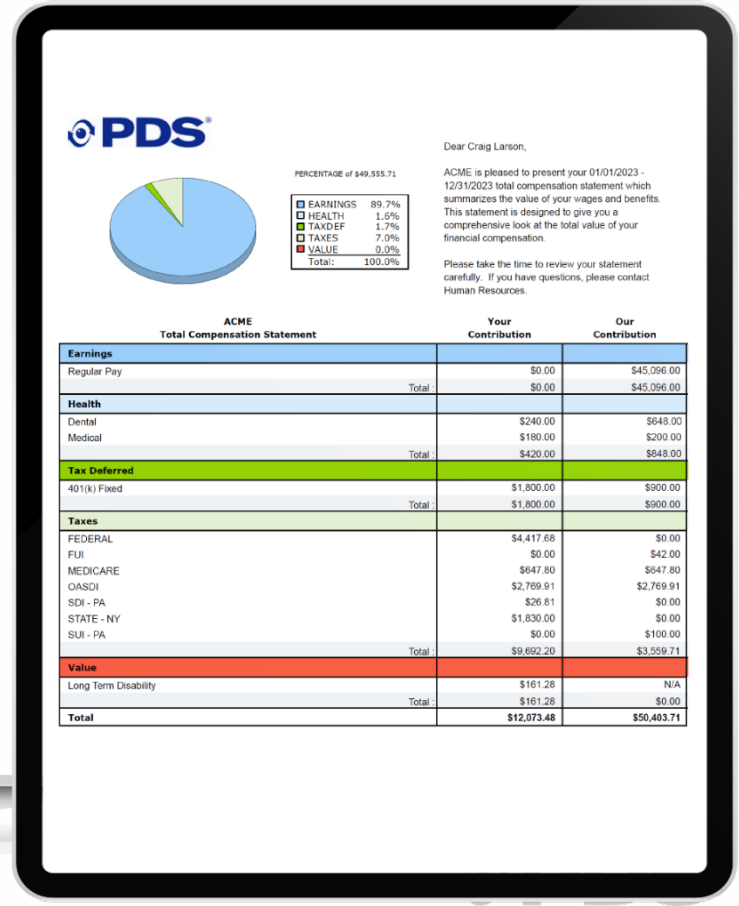
DESKTOP

MOBILE

TABLET







Defining Business Requirements

- **Define resources** and build a cross-department team
- **Internal checklist or formal requirements** (RFI or RFP)
- **Clarify your process** of gathering stakeholder requirements
- **Create a checklist** that identifies needs and priorities

Sample Business Requirements

Business Function	Business Item Description
HCM Core Functions	
	Manage your employee population with comprehensive HCM tools
	Complete HR administration: employee and manager self-service, training and development, performance management, document management, employment and role history
	Organizational reporting hierarchies - org charts can be displayed in pdf or image format
Recruiting	
	Integrated HR and recruiting platform that manages from recruit to hire
	Requistion - tools to request, approve, promote, post, recruit, and match
	Promote openings by leading applicants to your personalized job center from your corporate website
	Ability to easily communicate with applicants using messaging tools (e.g. welcome, thank you for apply, interview, testing)
Onboarding	
	Communication to new hires and staff when new hire will be starting providing details and tasks to be completed.
	Onboarding Self Service access for new hires where they can obtain an Onboarding To Do List, review company forms, documents and videos
	Electronically complete, review, and sign onboarding documents
Benefits Enrollment	
	Complete benefits administration with automatic integration of payroll deductions
	Allows employees during open enrollment to compare current benefits to new plans, including costs, and make changes
	Leave time and leave accrual tracking
Affordable Care Act Resources	
	Comprehensive Affordable Care Act Management included in base system
	Ability to generate and print Forms 1094-C and 1095-C
	Optional filing and printing services available
Compensation Management	
	Make informed compensation decisions based on talent insights and other analysis tools
	Salary Administration based on budgets
	Manages effective dated payrate changes and mid pay period increases
Training & Learning Management	
	All standard solution training included at no additional cost
	Generate recommended learning options based on individual competencies and development goals
	Identify Learning Plans, track completed training activities and measure progress
Succession Management / Performance Management	
	Distinguish top performers and determine succession plans based on qualification such as training, skills, licenses, et.
	Delivers practical, quick, and easy suggestions on how to best support an employee's career path
	Conducts performance reviews at the employee or job-level and identifies performance appraisals, rating and weight factors to drive overall performance results

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Defining Business Requirements

Manage your vendor process

- Communications
- Presentations
- Content and format of product demonstrations

Identify search project timeline

- Internal & external

Sample Vendor Search Project Timeline

Activity	Planned Completion Date
Distribute RFI to Vendor list	March 2024
Vendor responses due	April 2024
Evaluation of vendor responses	April 2024
Vendor finalist and schedule notification	May 2024
Vendor presentations	May – June 2024
Vendor of choice announcement	July 2024
Contract negotiations	July 2024
Live date on new system	Jan 2025

Path to Justification

1. Value
2. Assessment
3. **Research**
4. ROI

Research: Researching Available Products

- Guides
- Professional websites
- Industry consultants
- Tradeshows and Conferences
- Portals

Tradeshows & Conferences

Targeted Shows

- Industry-specific
- Product-specific (e.g. Recruiting)

National Shows

- Broader view of technology
- Network outside of your community

Regional Shows

- More affordable

Suggested Industry Search Portals

SelectHub

Matchr

compareHRIS.com

HRMSWORLD

Software Advice™

TechnologyAdvice

Path to Justification

1. Value
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4. **ROI**

ROI: Four Ways to Justify HCM ROI

Download our free report and learn:

- How to calculate your Return on Investment (ROI)
- Learn about "hard" dollars vs. "soft" dollars
- Identify benefits and risk reductions
- Learn how headcount avoidance factors into newer HCM systems

1. Hard Dollars vs. Soft Dollars
2. Tactical and Strategic Benefits
3. Areas of Risk Reduction
4. Headcount Avoidance

1

“Hard” Dollars vs. “Soft” Dollars

“Hard” Dollars

- Product cost
- Software maintenance
- Software add-ons
- Third-party administrator fees
- Technical support costs

“Soft” Dollars

- 24/7 system access
- Redundant data elimination
- Improved data integrity
- Process standardization
- Improved data controls

2 Tactical and Strategic Benefits

TACTICAL

Automate

Benefits enrollment, Training registration, Job postings

Reduce

Forms processing, Payroll adjustments, Overpayments, Claims

Improve

Service to employees, Security, Staffing, Reporting

STRATEGIC

Reduce

Job vacancy costs, Absenteeism, Hiring costs

Improve

Employee retention rates, Decision-making, Budget vs. Actual reporting, Employee communications

2

Onboarding Scenario

20 Hiring Managers

×

10 hours per week

×

52 weeks

=

$374,400 Saved Each Year

2

Reports Scenario

4 quarters × 4 hours per quarter × 1 HR Admin @$15/hour = $240 Saved Each Year

CompareHRIS.com

2 Efficiencies Gained Through Automation

Leave of Absence Processing	$35.00	1,000	80%	$ 28,000	MSS/Workflow	Benefits
FMLA Requests	$40.00	100	80%	$ 3,200	MSS/Workflow	Benefits
FSA Enrollments	$25.00	300	70%	$ 5,250	ESS/Workflow	Benefits
Paycheck Inquiries	$20.00	1,600	80%	$ 25,600	ESS	Payroll
Annual Transactional Savings Opportunities				**$ 741,420**		

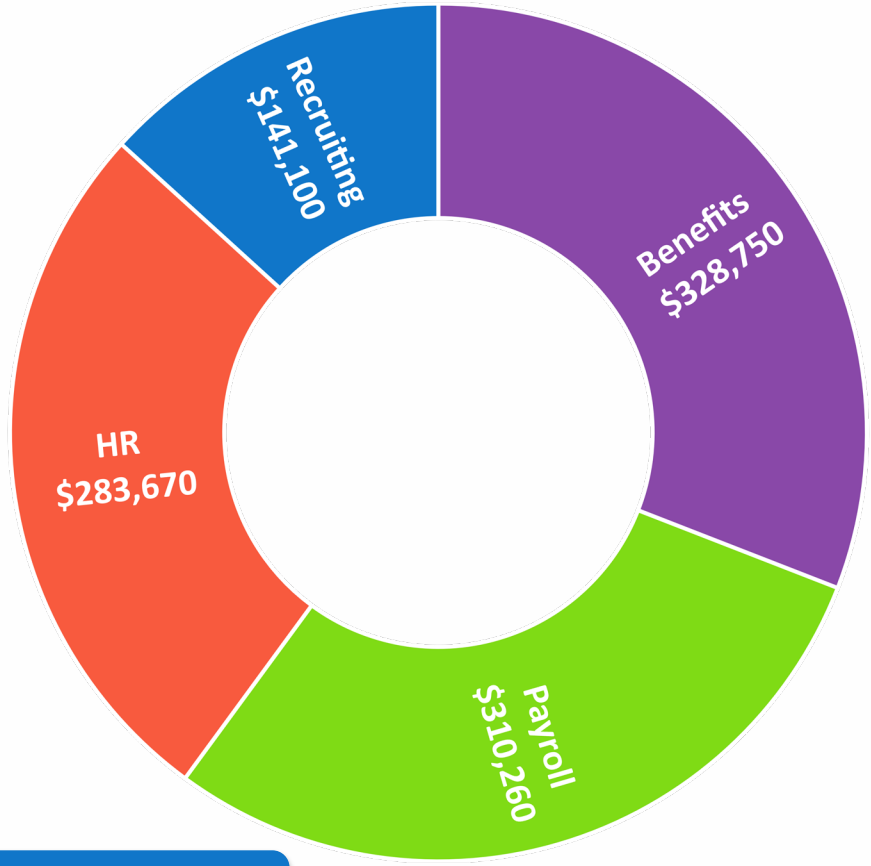
Efficiencies gained with Vista by Automating Processes

Process	Benchmark Costs	Annual # of Transactions	% of Displaced Costs	Savings Opportunities	With Vista HR, Benefits, Payroll	Department
Automating electronic payroll checks/advice	$1.31	312,000	50%	$ 204,360	ESS	Payroll
Automating electronic W2s	$3.00	18,000	50%	$ 27,000	ESS	Payroll
Automating electronic 1095s	$3.00	18,000	50%	$ 27,000	ESS	Payroll
Managing Benefits Open Enrollment	$40.00	2,000	80%	$ 64,000	ESS	Benefits
Annual Processing Savings Opportunities				**$ 322,360**		
Total Annual Processing & Transactional Savings Opportunities					**$1,063,780**	

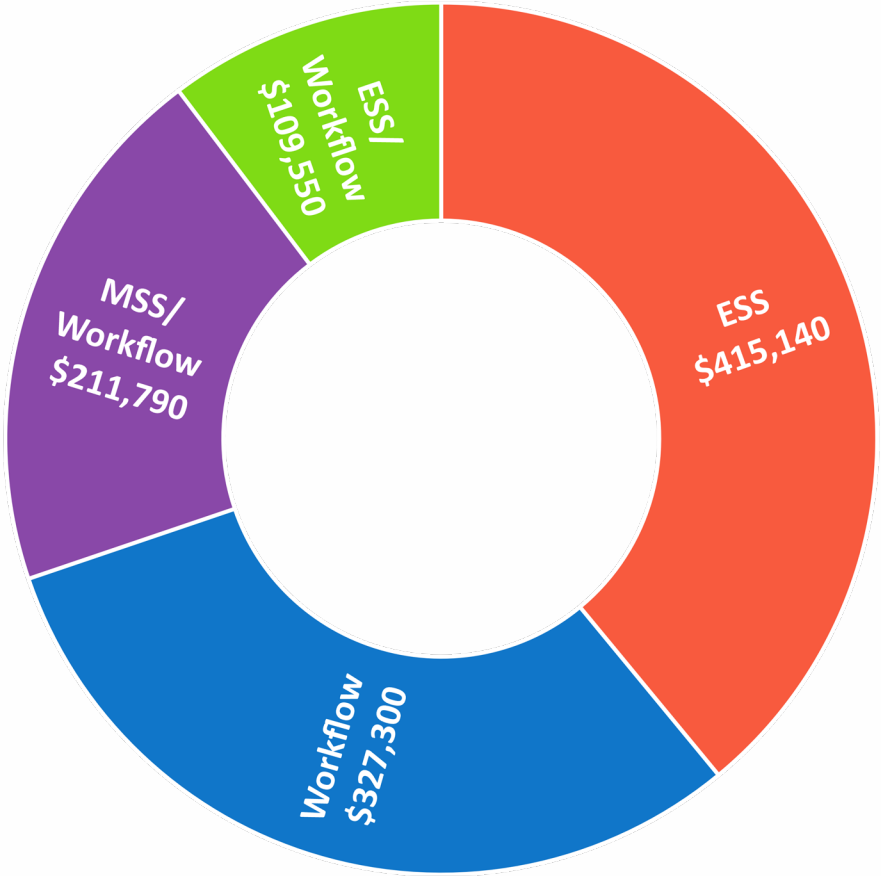
Vacation Inquiries	$25.00	1,500	80%	$ 30,000	ESS	Benefits
401k Inquiries	$25.00	400	80%	$ 8,000	ESS	Benefits

Savings by Department & Process

Savings by Department



Savings by Process



Areas of Risk Reduction

Risk areas to be explored:

- Government Compliance
- Technology
- Employee Litigation

4 Headcount Avoidance

Resources for
Justifying an HCM Payroll Purchase

PDS Whitepaper: "Four Ways To Justify an HCM and Payroll Purchase"

PDS Calculator: Return On Investment Calculator

PDS checklist of sample business requirements:
Sample Business Requirements

References

- Josh Bersin, Deloitte Consulting LLP – *figure 1: Transformation*
- PDS whitepaper – *Four Ways To Justify an HCM and Payroll Purchase*
- CompareHRIS.com – *Reporting ROI scenario within "Justifying the Cost of a New HRIS or HCMS"*

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