Human Capital Management Vendor Request For Proposal & Selection Process

CLEARCOURSE CONSULTING

Human Capital Management People-Process-Technology Experts

- HCM consulting for mid to large sized employers
- Senior level consultants with deep, broad ADP HCM experience
- Resources with a unique blend of functional, technical and operational expertise. Each held senior level Payroll or Human Resources positions in large corporations prior to consulting
- Produce holistic results by analyzing an organization's entire system of people, process, technology, and organizational culture

HCM Services Categories

- Strategic Planning *(including vendor selection & RFP)*
- Operational Assessment
- Project Management & Support
- Process Transformation
- Interim Management

HCM Vendor Selection - Agenda

- Define Guiding Principles

- Vendor Selection & RFP 10 Steps

- Next Steps

- Implementation Tips

Define Guiding Principles

Technology

- Cost
- Speed, accuracy
- Ease of use, administration, self service
- Capable to handle future growth
- Leverage configuration to get the most functionality
- Leverage the use of interfaces to eliminate data entry
- Support model

- ***What is important to your organization?***

HCM Vendor Selection – Overview, 10 Steps

1. Assessment: Requirements, pain points, organizational needs
   - ➢ Accelerated vs. Comprehensive options
2. Present initial list of vendors and options, limit to 3-4
   - ➢ Consider Best of Breed, Single Vendor, Hybrid options
3. Create RFP document tailored to organization's specific needs
4. Send/receive RFP document to/from vendors
5. Create Vendor RFP Response Score Card
6. Conduct vendor presentations, log presentation feedback
7. Summarize results, feedback, pricing
8. Hold stakeholder review meeting, further reduce # of vendors
9. Request final round of pricing for those remaining
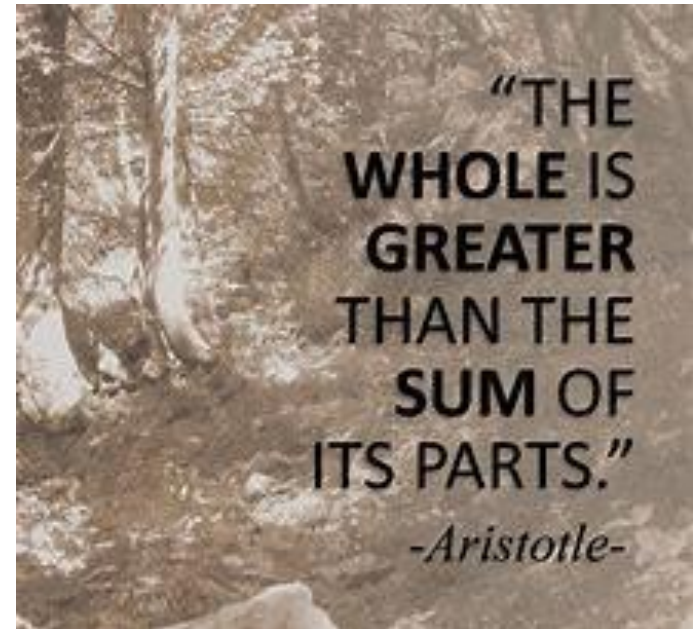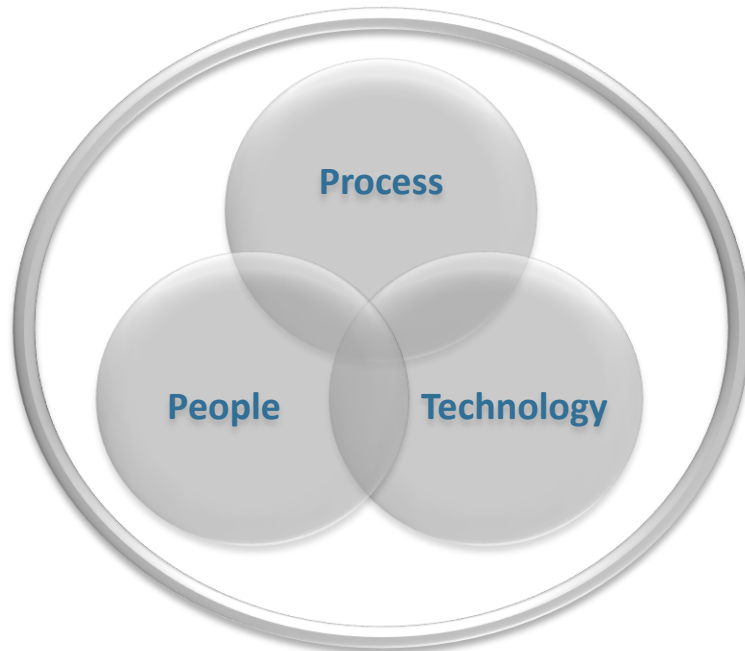10. Hold final stakeholder meeting, make final decision

Accelerated vs. Comprehensive Assessment:

Option	Process	Pros	Cons
Accelerated	• Leverage existing documentation (processes, procedures, system flowcharts, previous implementation workbooks, etc.) • Review with key stakeholders	+ Takes less time	- Less complete results - Risk of additional work during implementation
Comprehensive	• Conduct a full HCM people-process-technology assessment • Leverage existing documentation • Interview extended list of stakeholders, shadow processes	+ Most complete results + Work product can be leveraged during implementation + Identify additional areas of opportunity	- Takes more time

Conduct a *holistic*, end to end, HCM People-Process-Technology review

Process

People   Technology

"THE WHOLE IS GREATER THAN THE SUM OF ITS PARTS."

-Aristotle-

ho·lis·tic

/hōˈlistik/ 🔊

adjective   PHILOSOPHY
adjective: **holistic**

characterized by comprehension of the parts of something as intimately interconnected and explicable only by reference to the whole.

Best of Breed vs. Single Vendor vs. Hybrid:
(Talent, HR, Benefits, Payroll, Time, Payroll Tax & Print Services)

Option	Sample Vendors	Pros	Cons
Best of Breed	(Taleo, Workday, Oracle, SAP, Kronos WFM, …)	+ Most robust capabilities for each specific functional area	- Multiple vendors to manage - Multiple interfaces, points of failure
Single Vendor	(ADP, Ceridian, Ultimate, Kronos HCM, …)	+ Single vendor relationship to manage + Integrated, data integrity, fewer points of failure	- Less robust capabilities with specific functional areas
Hybrid Options	*One vendor, multiple products *Multiple products and/or vendors	+ Best match for overall needs	- Multiple products and/or vendors to manage - Multiple interfaces, points of failure

Step 2:
Limit list of vendors

- Leverage market research data

- Align guiding principles & assessment results with each solutions capabilities

Figure 1. Magic Quadrant for Cloud HCM Suites for Midmarket and Large Enterprises

Step 3:
Create Vendor RFP Document

- Tailored document to meet specific needs

Product Functionality:

Please use the following matrix as a key for responding to the functionality tables in the RFP. Please click "select" to select the code that applies to your company/product.

Response Code	Description
E - Existing	Feature is delivered as standard functionality in the proposed version of the software and can be demonstrated by the vendor.
F - Future *	Feature is not currently included but will be available in a future release. *Please indicate time frame (e.g., 12 months).
V - Vendor Customization *	Not included. Vendor provides customization at an additional cost.
T - Third Party *	Feature is provided by a third party partnering arrangement. Indicate any preferred partner agreements.
N - Not Available	Requirement cannot be met.

Recruiting & Applicant Management:

Provide a brief description of your recruiting and applicant management system.

What job boards are supported with your product? Describe how jobs are posted to Internet job boards.

Does your system allow for an automatic e-mail response to applicants and candidates? If so, please describe the communication types included in the application. Can we customize the responses?

How is an applicant transitioned to an employee in your system? If the systems are integrated, describe the file transfer process and the technology applied.

	Requirements	Code
2.0	Sends automatic responses, notifications, or e-mails to applicants/candidates.	Select
2.1	Allows administrators to customize verbiage on the e-mail messages (including confirmation acknowledgement and job filled) to external and internal applicants/candidates.	Select
2.2	Provides capability to view all employees simultaneously regardless of EIN association	Select
2.3	Has history that consists of one candidate record with all the associated recruiting activity regardless of the number of requisitions.	Select
2.4	Provides for client defined organizational levels	Select
2.5	Can a resume/application be maintained in the system?	Select
2.6	Allows applicants/candidates to modify or replace their existing resume.	Select
2.7	Hiring managers and recruiters can review pre-screened applicant/candidate	Select
2.8	Hiring managers and recruiters can track applicant/candidate status	Select
2.9	Hiring managers and recruiters can view and print applicant/candidates job history, qualifications and resume	Select
2.10	Hiring managers and recruiters can enter additional applicant /candidate information if needed	Select

Step 4: Send/receive RFP document to/from vendors

ClearCourse CONSULTING

Step 5:
Create Vendor RFP Response Score Card

- Summarizes RFP results

- Allows for structured comparison between all vendors

RFP Scoring Template

Key Scoring Items	ADP	Ceridian	Kronos	Ultimate
Company Information	Select	Select	Select	Select
Technology/Architecture	Select	Select	Select	Select
Enterprise Structure	Select	Select	Select	Select
Recruiting & Applicant Management	Select	Select	Select	Select
New Employee Onboarding	Select	Select	Select	Select
Termination	Select	Select	Select	Select
Human Resources	Select	Select	Select	Select
Compliance	Select	Select	Select	Select
Performance Management	Select	Select	Select	Select
Benefits	Select	Select	Select	Select
Online Enrollment	Select	Select	Select	Select
Life Change Events	Select	Select	Select	Select
Time Off Accruals	Select	Select	Select	Select
401K	Select	Select	Select	Select
Payroll Earnings/Deductions/Calculating Pay	Select	Select	Select	Select
Reporting	Select	Select	Select	Select
Taxes	Select	Select	Select	Select
Payroll Processing	Select	Select	Select	Select
General Ledger	Select	Select	Select	Select
Employee Self Service	Select	Select	Select	Select
Manager Self Service	Select	Select	Select	Select
Workflow	Select	Select	Select	Select
Mobile App Functionality	Select	Select	Select	Select
Database/Security	Select	Select	Select	Select
Implementation	Select	Select	Select	Select
Service Level Agreement (Service Model)	Select	Select	Select	Select
Overall Functionality Score	0	0	0	0

Step 6:
Conduct Vendor Presentations

- Create structured agenda, requires vendor to present only relevant information

- Less focus on bells and whistles, more focus on your specific needs

Vendor Demonstration Agenda

Functionality	Time	Description
Company Background/Service Model	20 Min	• Years in business, experience and tenure of staff members • Describe Implementation process including vendor roles and responsibilities • Describe ongoing service model including structure of service team and escalation path.
Apply for a Job	10 Min	• Apply for a job as an applicant from a job posting using a basic application process
Recruiter/Manager View of Applicant/Hire Applicant	10 Min	• View applicant status as Recruiter/Manager • Describe applicant rejection process • Hire the applicant
New Employee Onboarding	10 Min	• Demonstrate how employee receives link to complete onboarding paperwork • Complete basic onboarding as an employee showing W-4, I-9, and at least one form with electronic signature required • Demonstrate how manager and other departments are notified of action items related to New Employee Onboarding • Demonstrate how Manager and HR can see employee's progress of the onboarding checklist • Discuss the E-Verify Process
Employee Self Service	10 Min	• Demonstrate employee's ability to view pay stubs, current W-4 and PTO balances • Demonstrate how an existing employee can change their address, W-4, and direct deposit account with approval workflow
Manager Self Service	10 Min	• Demonstrate Manager's ability to request pay increases and employee store transfers
Online Benefit Enrollment	10 Min	• Quick overview of screens
Payroll Process	10 Min	• General overview of payroll process including time import from POS. • Discuss process flow including estimated time to calculate, etc. • Discuss options for processing manual checks
Mobile App	10 Min	• Demonstrate ESS and other functions in the mobile APP

Step 6:
Log presentation feedback

- Create document that allows for simple grading
- for presentation attendees

- Letter or points grading scale

Score	Description
A	Exceeds company needs
B	Meets company needs
C	Functionality meets company needs but something is lacking
D	Does not meet company needs

Presentation Topic	Score	Attendee's Notes
Company Background/Service Model		
Apply for a Job		
Recruiter/Manager View of Applicant/Hire Applicant		

Step 7: Summarize results, feedback, pricing

Findings

- Service Model
  - In depth discovery was performed on the service model for both ████ ████ ████ ████ including the following:
    - Review of SLAs, support models and background and experience of team members
- Product Functionality/Ease of Use
  - In depth testing was performed on ████ ████ ████ ████ Payroll and HR. This testing including Applicant Tracking, Onboarding, Employee Self Service, Manager Self Service, HR, Reporting. Testing was performed on a desktop and on the mobile device.
- Product Flexibility
  - In depth review of reporting, export and import capabilities was performed to determine the platforms integrate with other systems.
- Implementation Process
  - Interviews were conducted with individuals at both ████ ████ ████ who represented the Implementation team. A detailed review of estimated timeline, resources and process was conducted.
- Reliability/Performance
  - In depth review of SLAs including planned downtime windows and outages. Multiple references were to ensure the vendors' ability to perform for large employers.
- Pricing
  - Vendors performed multiple rounds of price cuts to ensure best price possible. ██ is conducting a thor review of vendor contracts.

Vendor Scorecard - Results

Category			Reasoning
Service Model	5	4	████ Must log tickets and await response for reporting and non-urgent requests.
Product Functionality/Ease of Use (Employee and Manager)	5	4	████ does not offer time and labor for 50 employees
Product Functionality/Ease of Use Administrators	5	4	████ - advanced reporting tool can be difficult and require assistance
Product Flexibility (Reporting/Interface w/POS)	5	4	████ has more flexibility to export fields easily to interface with other products
Implementation Process	5	5	Both have excellent Implementation strategies and on site support
Reliability/Performance (Ability to handle 10,000 EEs)	5	5	Both handle companies of 10,000 employees or more efficiently
Pricing	5	5	████ has no additional cost for supplemental payrolls, amendments or I-9 verification while Mosaic has much lower implementation fees and no contract commitment or penalties
Overall Score	35	31	

3

Step 8:

Hold stakeholder review meeting, further reduce # of vendors

Step 9:

Request final round of pricing for those remaining

Step 10:

Hold final meeting, make final decision

HCM VENDOR SELECTION – NEXT STEPS

- Finalize contract with HCM vendor

- Project definition
  - Lock down scope (what is IN, what is OUT)
  - Identify resources (RACI Chart)
  - Develop summary level timeline
  - Agree to communication plan (meeting cadence, etc.)

- Project kickoff

- Implementation

HCM Vendor Selection – Implementation Tips

Step	Actions
Define the Project	**Document, obtain agreement on:** Objectives; Stakeholders; Scope; Responsibility Chart; Risks & Constraints; Communication Strategy; Milestone Level Timeline
Plan the Work	**Develop plans:** Project Task List ; Change Management & Training Plans
Execute the Plans	**Manage**: People, Tasks, Issues / Actions, Decisions, Change Mgmt. **Monitor & Control:** Scope, Quality, Cost/Resources, Time, Risk & Constraints **Communicate**: Distribute Meeting Minutes Distribute Project Status Reports Hold Project Status meetings Hold Steering Committee meetings

ClearCourse CONSULTING

HCM VENDOR SELECTION – IMPLEMENTATION TIPS

TIP: *Seek early input from key stakeholders*!

"With public sentiment, nothing can fail. Without it, nothing can succeed."
- Abraham Lincoln

TIP: *Transparency is key. State facts, remove emotion*!
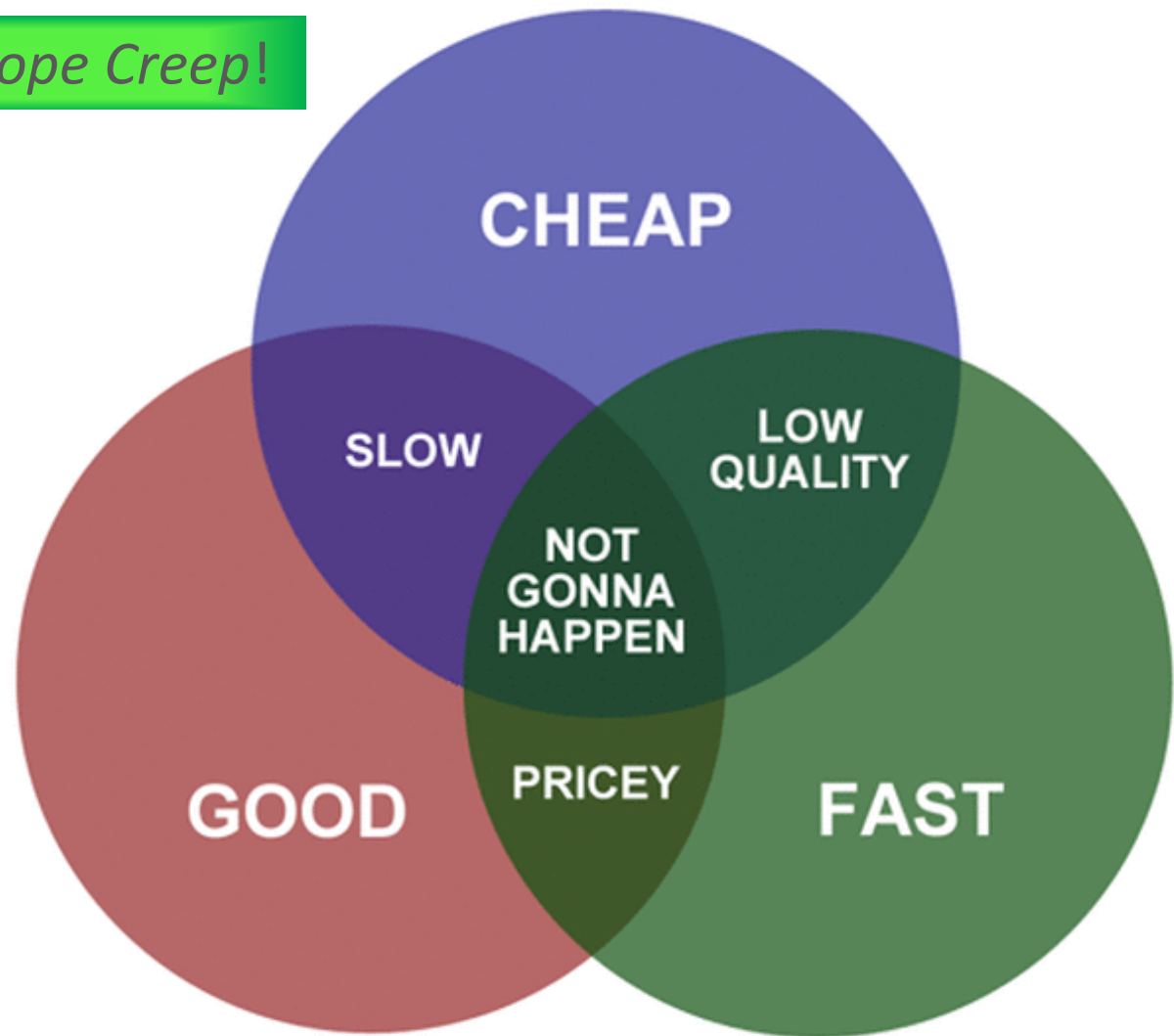
TIP: *Celebrate publicly, criticize privately*!

TIP: *Organizational Culture ("O.C.") is often the least considered, but often time largest constraint*

TIP: *Set realistic expectations*!

ClearCourse CONSULTING

TIP: *Beware of Scope Creep*!