HCM Selection

THE NO-NONSENSE WORKBOOK FOR CHOOSING YOUR PERFECT HR SYSTEM

Your HR system is clunky. And messy. And not at all fit for purpose. So it's definitely time for an update. What you need to know now is … basically everything about selecting a new system. How do I choose the right one? What does the process look like? Who do I need to involve?

When you first get started, it can feel pretty overwhelming. But that is why we've put this workbook together. By going through the different sections of the workbook and using the requirements checklist at the end, you'll have all the information you need in order to start exploring the market. And if you still don't feel confident at the end? Well, we've got that covered too.

So let's get started! Here are the different areas that this workbook covers:

Contents

# What are the different types of HR systems available?

You're a seasoned HR professional, yet that doesn't necessarily mean you are an expert in HR technology. So regardless of where your strengths lie, this guide is designed to be easy-to-use and doesn't rely on technical skills. In fact, you shouldn't need to have any real tech-savvy to get the most out of this workbook.

HCM vs HRIS

Sometimes the words HRIS and HCM get used interchangeably when you start talking People Tech, but they are technically different.

Human Resource Information Systems (**HRIS'**) are primarily focused on the core functions of HR. It can be a great way to make your HR processes more digital and cohesive.
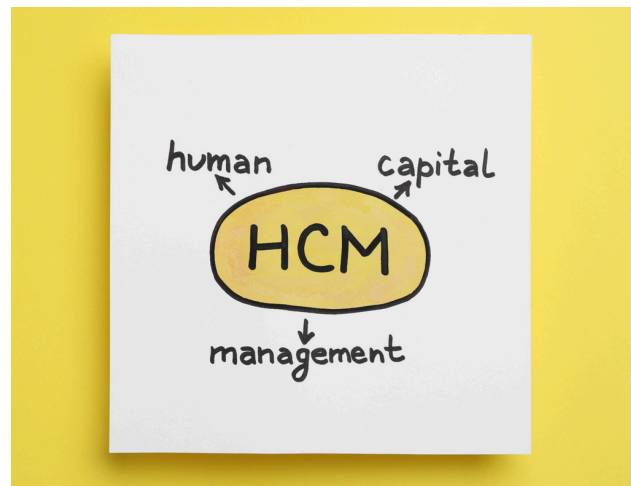
Meanwhile, an **HCM** (Human Capital Management) system goes beyond those functions and is considered an end-to-end solution because it includes everything from recruitment and onboarding to employee surveys and analytics.

That said, HR technology is rapidly advancing and the lines between these two types of systems are blurring.

Need a refresh on which acronym means what? Check out our **HR Tech Glossary** to help cut through jargon and get to the real meaning of things.

Can this workbook be used for other HR or payroll platforms?

We know this workbook says it's designed for HCM selection. And if that's what you're doing, this will absolutely do the trick! Yet these same principles apply no matter what realm of HR or payroll tech you're looking at bringing into your business. In fact, a lot of it can probably help teams outside of HR too. If you feel like it's helpful, feel free to pass it around to colleagues!

System selection in 10 easy steps

We've broken the selection process down into 10 steps that will help you get your HCM selection project across the finish line. Here's what you need to do:

1   Identify the scope

Identifying the project's scope provides structure for each step of your plan and can help to shape a vision of what you want to achieve. This can be a higher-level task than the full requirements gathering that will happen later on. But do spend some time here connecting with stakeholders (including end users), understanding their needs and getting a sense for what capabilities your new system will need to have.

Identifying the scope can be especially helpful ahead of the next step, which is **assembling your team**. Without defining the scope, it will be hard to know which subject matter specialists you'll need to involve. This definition can start somewhat high level as the scope will likely evolve up to the point of gathering requirements and writing your business case.

For now, start with this basic template:

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This new piece of software will help us:
- _____
- _____
- _____

These should be high-level goals that you hope this technology will help you achieve.

We also need to consider:
- _____
- _____
- _____

These should be considerations like security, cost, available resources and any specific time restraints, which you'll need to take into account throughout the process.

2 Assemble your project team

Assembling the most effective project team seems like it should be a simple process, but there are a lot of roles that need to be fulfilled. This can be especially tricky with small teams or in cases where there is a heavy load of business-as-usual work that you need to keep up with while your project is underway. Bringing your team together early can help you make sure everyone has both clarity on what is needed from them and capacity when they're needed.

One important thing to note however, is that the people leading this project should come from the team using/owning it. While it may seem logical to have your IT department lead any new tech project, it's necessary to have perspective from the HR (or, in some cases, payroll) team to ensure the right factors are prioritised for project success.

There are several key 'roles' that you need to define upfront, including project manager, system administrator and subject matter experts (SMEs), as well as your end users. On top of these, you need to define who handles escalations.

Assemble your project team

Here's a little more about the 5 key roles and what they mean:

- **Project Sponsor** – You can think of this person as the director of the project. They play a huge role in stakeholder engagement right from the get-go and should be a key architect of the change approach. They're in charge of the overall vision and bringing that into reality. They'll also be briefing the wider business on progress and approving any major, high-impact changes. This is probably who you want handling escalations.

- **Project Manager** – This person should be different from the project sponsor. A Project Manager will be in charge of the day to day, engaging key stakeholders and making sure that the project hits its deliverables.

- **System Administrator** – Your System Administrator should be a data and process-driven person who has a good understanding of the employee data fields, the system build, reporting and can contribute insight when needed.

- **End User Representatives** – These are people who convey and act on the needs of the people who use the system to manage their personnel record, view payslips, request time off and generally interact with the solution for their employment needs.

- **Escalation Handler** – This one is less of a specific role and more of an additional responsibility that should be added to someone on this list. Things won't always go smoothly, so you need to know who you'll turn to when that happens. They should be somebody proactive who can handle high stress situations when something goes awry.

Think you know your project team roles now? Fill in the table below with your dream team and see who you need for each role. You can also use this in your communications with the wider team to clarify who is involved in the project and who the key decision makers are.

Project Role	Name	Project Role Definition

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Keep in mind that these will be very hands-on roles, so if you think you might struggle for resource, this is a good time to start considering whether bringing in an external consultant could help.

Learn more about these roles: Typical project roles and what they involve

A note about Project Sponsors
The Project Sponsor is an important role that can sometimes fall by the wayside. The Project Sponsor is the champion of this project to the key stakeholders in your business. They need to be able to handle problems, answer questions and keep stakeholders engaged. But, as important as this role is, they do still often face challenges in effectively managing these responsibilities alongside their important BAU work.

Case Study: Driving operational excellence - a transformative HR and Payroll project

roadchef

Roadchef is one of Britain's leading roadside service area operators, welcoming more than 52 million customers every year. Operating 30 motorway service areas across Britain from Norton Canes to Watford Gap, Roadchef features popular brands such as McDonalds, Pret, Costa & LEON and employ circa 4,000 employees.

Silver Cloud initially supported Roadchef with a digital review of their previous HR and payroll provision in addition to providing advice and guidance on their planned migration to a new HCM provider.

Their incumbent provider was subsequently determined to be not fit for purpose therefore the decision to embark on a fresh selection process, with the support of Silver Cloud, was made.

Silver Cloud conducted several discovery workshops with the key internal Roadchef teams to understand the current processes along with their pain points and areas for improvement.

The Roadchef team opted to move forward with a powerful vendor partnership in the form of Elementsuite (HRIS) and PayCaptain (payroll) and the Silver Cloud team supported Roadchef through their implementation which went live in February 2024.

"It has been great working with Silver Cloud and reassuring to know that we are receiving good advice based on sound experience.
We are really excited to move forward - your team have been fantastic, we are really grateful for their support!".

3 Establish your project plan

Now that you know what you're hoping to achieve and who will be involved, you should create a project plan for your selection. As you've already defined the roles, make sure you know who will be responsible and who will own the system before you connect with vendors.

This is when you will determine a timeline and key milestones to achieve at each stage of the process. Be sure to give yourself and your team enough time in the plan. Selecting a new system isn't a quick checkbox task that you can get ticked off in a couple of weeks. The outcome of this project will be with your company for a minimum of three years. And don't forget to build in the time it takes to both implement and roll out your new solution.

Once you have a plan created, block out the appropriate time for all relevant people. You don't want diary mismanagement to delay an important step of the process.

It's important here to remember that this is a rough sketch of your project plan because you'll be learning more through each stage. This plan will help provide context and map out both the expected timeline and the support that you'll need to make this project a success.

4 Create strategic alignment

This is a key step for anything you want to do that requires leadership input. Projects that don't align to the overall business strategy don't get approved. So, spend some time thinking about the overarching strategy and vision for your business right now. What are the major goals? Particularly pay attention to the ones that your key stakeholders are responsible for managing. Consider things like:

- ■ Are you looking to increase headcount and attract high-end talent?
- ■ Are you trying to cut operational costs?
- ■ Are you trying to drive greater revenue Year-on-Year?

But most importantly, ask **"How can this new piece of tech support these goals?"** You may need to spend a fair amount of time on this and think quite creatively, but there will be important connections between HR tech success and overall business success.

Exploring the major strategic goals of your business can help you clarify the necessity of the change you're looking to make as well as offer unique positioning for your project that you might not have considered.

> *Write down a summary of your company's strategic vision here so you can refer back to it as you move through the selection process:*

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Now that you have a clearly written statement for your company's strategic vision, consider the ways that implementing a new HCM is able to impact and progress those goals.

> *Here, write a few ways in which your new HR tech could help you achieve the strategic goals from above. This is just for brainstorming, so don't worry about being too exact.*

5 Gather requirements

You know what you're expecting (and hoping for) out of this software implementation, and you've got a basic scope in mind, but you won't be the only user of it. So, before getting in too deep, you'll need to start exploring the needs of all stakeholders in the business. A great way to do this is to check in with department heads. Their views are key to the selection of the system. Not only will they be responsible for kicking off various HR processes, but they will also understand the data needs of their department.

You'll need to establish:
- What are managers' experiences of current HR processes?
- How easy is it for them to access employee data?
- How is employee data used to make department business decisions?

Another point to consider, this doesn't have to only include how things are right now. You can let this be aspirational. In fact, painting a bigger picture on top of solving your existing problems can go a long way to bolstering your business case when it's time for that.

While you're considering your aspirations compared to your current situation, be frank about whether or not your business is ready for a big change in technology and processes. It may be necessary to take a phased approach where these things are done in stages.

Gathering departmental requirements

You don't need to gather the requirements of every single department in the business. Not only would that take ages, but it also wouldn't provide you with useful data. Instead, focus on the departments that will be most likely to need regular interaction with it. These are the departments and considerations you should start with:

IT - Your IT team may not be heavily involved in the project, but they will have technology concerns that are important to address. **Consider:**
- What are the integration requirements with other departments?
- What are the current data security processes and sign-off procedures?
- Are there any data migration issues to consider? (HINT: The answer to this is probably yes!)

RECRUITMENT - Many HRIS solutions offer integrated recruitment resources. If recruitment or talent acquisition is in scope for the project, think about the current ways of working vs the desired ways of working. Consider:
- What are your current recruitment challenges?
- Is the current applicant process cost-effective?
- Does the current applicant process reflect your desired employer brand?

LEARNING & DEVELOPMENT - If L&D is included in the scope of this project, explore the current learning needs of the business and how those are likely to change in the future. If L&D is not in scope, it's still good to meet with the team and identify any areas that have person-specific dependencies that could be helped with the new technology. **Consider:**
- How is learning currently managed across the business?
- How are development needs identified?
- Are there any skills gaps that technology can address?

FINANCE & PAYROLL - Your finance team is likely to have requirements around reporting, cost centres and processing payroll into the general ledger. It's important to understand the current ways of working for each area and how they would like it to change. **Consider:**
- How does the current payroll system integrate with HR?
- Do you want to keep your current payment system?
- What process changes would need to happen if a new payroll solution was introduced?

PERFORMANCE & TALENT MANAGEMENT - Because identifying and nurturing talent is a critical part of business success, fulfilling these requirements is important. Establish how performance (including appraisals, succession planning and reward) is currently managed and how existing tools contribute to that. **Consider:**
- What are the current challenges?
- Are appraisals conducted annually or has the business adopted a continuous approach?
- How is feedback collected from team members?
- Is there a strategy in place for success planning?

It's also important to capture what is currently working in each area. This will need to be able to continue with any new system you bring in.

Reviewing your existing HR systems
In addition to gathering requirements from your department heads, you'll need to thoroughly review the systems that you already have in place. Consider the details of what you are using, how those systems are impacting both your day-to-day and that of your end users. Also take into account the running costs of your existing systems. This is important to note as you may be able to cut or mitigate those costs with the new solution.

💡 **Check out the requirements checklist in the next section to make your requirement gathering stage easy and effective!**

6 Research the market

Researching the market is a key part of the selection process. Without a clear idea of what is possible, you may find it difficult to know what you can ask for. Spend some time researching by asking around your network and searching 'Best of' lists from reputable sources that know the HR industry in and out. You can even find guides that explore specific features that you're interested in.

It can also be helpful at this stage to consider who will be implementing the software and seek guidance on selection from them, whether this is internal, the vendor themselves or a consultancy. Bear in mind that many vendors use implementation partners who are, themselves, a consultancy. That means you may want to seek selection advice and costs from those consultancy partners.

Here at Silver Cloud, for instance, we offer both implementation and selection services and have helped organisations across all industries find the right solutions for them. But we can talk about that later.
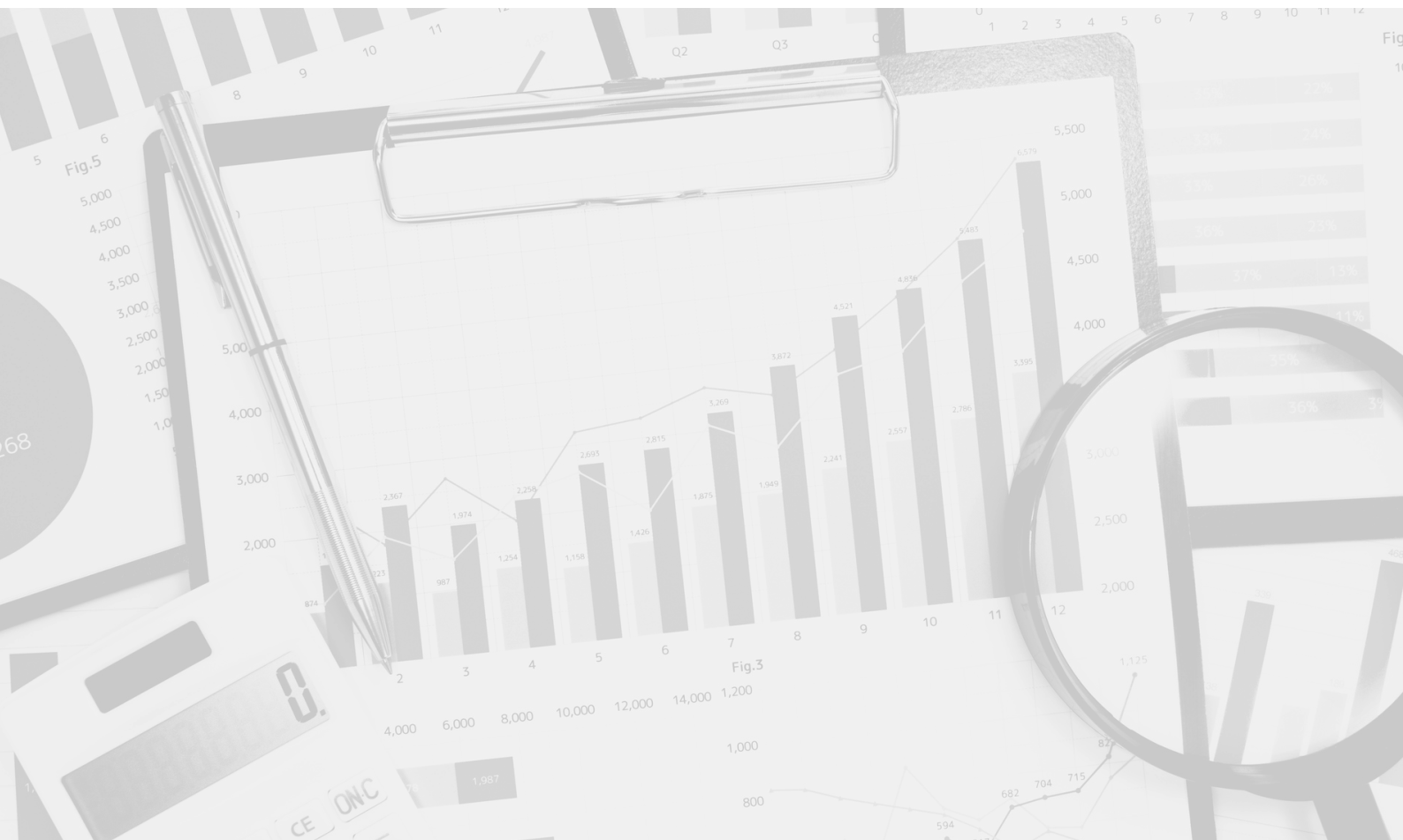
7 Build your business case

Now that you've got a clear grasp on what you need and are up to date with the state of the HR tech market, it's time to start putting a business case together. This is your opportunity to pitch the importance of this project and get the support and approval you'll need to make it a success. To create a convincing business case, make sure you:

- Align to strategic goals
- Clearly define the benefits
- Appeal to your key stakeholders
- Prepare for common questions

These are the high-level factors that make a business case effective. To learn more about what it takes to make your business case unbeatable, check out our eBook on the topic:

📖 **The Ultimate Guide to an Unbeatable HR Tech Business Case**

8   Contact vendors

Once you've created your business case and it's been approved, you can start reaching out to vendors for RFPs. RFPs (Requests for Proposal) are documents that announce a project (your new HCM implementation in this case), describes it (what are you looking for, what requirements will vendors need to meet) and asks for bids from vendors.

You'll send these out to the likely candidates based on your market research or based on the advice of the consultancy you work with. The vendors will then begin sending responses that should answer your questions about how well they can fulfill the role of your new HCM provider. As these come in, you'll need to evaluate the responses against your requirements and start considering which vendors you'd like to see a demo from.

Be aware that this can be an enormous task! This is one of the parts of the selection process that can be made significantly easier with the help of a third party like us!

Something to keep in mind is that, once you open the door to communicating with vendors, you will probably find that the conversations are high volume. This industry employs some very dedicated sales people! If this quantity of emails and phone calls will be difficult to manage (or just unwelcome), working with a consultancy can help. Here at Silver Cloud, for instance, we can take over the vendor communications and act as a buffer between you and their sales teams.

💡 **Don't hesitate to ask vendors about other businesses they have worked with in your industry. It's a question they get asked frequently, and they will likely be more than happy to show you relevant work.**

9 Demo systems and evaluate vendors

After you've narrowed things down to your top contenders, you will want to see a live demo of the software. This is an important part of the process because you'll be able to see what actually using the product will be like. Make sure that all of the functionality that has been claimed does, in fact, work the way you hoped. And consider the processes for each step. It's one thing if you can easily perform a business-as-usual task. It's another if it takes 15 steps to get to that point.

You may find it useful to come up with a series of questions or test scenarios to ask the presenter to run through with you. For example, if you have high turnover rates, see what it would be like to offboard someone. Or, perhaps, you're looking to move performance management into your HCM. Ask to see those tools in action.

It is also important to involve all of your key stakeholders here. To make sure there is a fair and effective evaluation process, it's important to A) limit the demo attendees to your project team and B) make sure ALL attendees are a part of ALL demo sessions. Otherwise, you risk having a skewed view that can impact your decision-making process. That means availability, engagement and diary management are key factors for success!
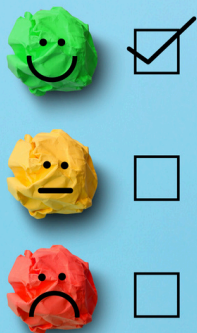
Right after each demo, ask all members of the project team to take the time to score your vendors against the guidelines you set out. That way you have clear feedback that isn't muddied by the passing of time. You can use that to help inform your decision-making once you have seen all of the demos.

When you've identified a preferred vendor (or a top two), be sure to do additional due diligence that goes beyond meeting requirements and a price fit. Remember, this company will be a part of your HR experience for at least the next 3 years, not including the implementation process itself. Consider how you feel when interacting with them, the level of service you'll be provided and whether you enjoy working with one person or the company as a whole.

10 Costings

When it comes to costs, there are a few things that you need to consider. Contracts with new vendors can be complex and there are factors that are easy to miss, even for seasoned procurement teams. Here's a quick overview of what to look out for:

Getting through the contract

Contracts for HR technology can be complicated. And you may have so much to focus on around the implementation, that it becomes easy to miss details like hidden fees or a lack of ongoing support. If you've talked about a phased approach to implementation, how is that handled in the contract? There are lots of moving parts to this project, so really take the time to go through the contract, ask questions when something isn't clear and understand exactly what it is your signing up for.

Multiple purchases

Believe it or not, one of your best allies during this time might be your CIO. In charge of most other major software purchases, they are best situated to make you aware of which organisations you already purchase from. In cases where you already buy multiple pieces of software, there may be discounts available by buying your HCM through them as well. This could amount to significant savings.

That said, don't feel penned in by your IT team. If the software isn't right from the outset, no amount of savings will help that. If you have one, a procurement specialist can be an excellent support at this stage.

Keeping support

Substantial ongoing support is not always included in the upfront costs. There may be difficult to notice fees for this kind of activity or it might not be available at all. This is an important thing to check with both the vendor and whoever will be doing the implementation. Some consultancies, like Silver Cloud, offer ongoing support packages that can keep your new system working smoothly. However, that kind of work isn't a given in all consultancies, so be sure to check.

If you used our ROI Calculator alongside the business case template, refer back to it and compare what you expected to what is being provided. Is it within a reasonable difference? Does your agreement include everything you were looking for? And, if not, is that reflected in the cost?

Case Study:
Retail portfolio goes digital to unify global teams

URBN

A multinational lifestyle retail corporation, Urban Outfitters (namesake of the URBN portfolio) is dedicated to inspiring customers through a unique combination of product, creativity and cultural understanding. Founded in 1970 in a small retail space in Philadelphia, Urban Outfitters now operates over 200 stores across the US, Canada and Europe.

In the UK and Europe, URBN employs around 3,000 people across their retail stores, distribution centres and head offices. They contacted Silver Cloud to implement new HR software for these teams, following an earlier, successful deployment across North America.

After successfully rolling out UKG in North America, URBN were looking to replicate that success in their other markets but didn't have the resource in-house to do so effectively. URBN also wanted to begin using a UK and EU payroll platform to streamline all payroll across their UK and Europe sites.

While they had the capability through their US teams, URBN recognised that they would need help navigating the UK and Europe markets including policies, legislation and terminologies. This is what led them to Silver Cloud for consultancy and **implementation support**.

"Bespoke, adaptable, and quality service is how I would describe the interaction and training materials delivered from Silver Cloud for this project".

Avoid the most common pitfalls

In a recent survey, the most common concern about the selection process is later realising that **you've chosen the wrong system.** This overall process can be a long, resource-intensive one, so the fear of having wasted that time and money (and having to invest in it all again) is reasonable. But if you use this workbook to guide you and avoid the most common issues, you'll be well on your way to choosing the right platform for your business.

One major pitfall to watch out for is holding out for perfection. There's little chance that you'll find a single system (or even suite of systems) that perfectly fits all of your needs. There is going to have to be a point of compromise, so take the time to prioritise your key requirements so that you make sure you have the most important factors covered.

Another major stumbling point for many is not dedicating enough resources to gathering those requirements. Investing time in this stage can help you make more effective decisions further into the journey. These requirements are the building blocks for both your business case and your RFP, so don't shy away from taking your time here.

It's also vital that you don't rush the process. The demoing and vendor selection processes can feel time consuming and, after having already dedicated a significant amount of time to the project, you may want to get through this part as quickly as possible. But making rushed decisions and not giving enough time to get the most out of the demo stage is a recipe for missing out and choosing the wrong system.

Importantly, consider the relationship you have with your current provider before you start going out with Requests For Proposal (RFPs). This industry is pretty close-knit, so if you're shopping, your existing vendor may well hear about it. Although you may be looking for change, this can be a long process and, in all likelihood, you'll be with them for another 18 months. So you don't want to see your service levels drop during that time.

A good way to avoid that is to include your current vendor in the RFPs, especially if they've updated their offering since you joined them initially.

Requirements checklist ☑

Let's get you ready to build a business case and go to market! Use this checklist to be sure you've considered all of the requirements for this new HCM – including those from other departments and stakeholders. You can use the blank spaces to add in any requirements that are specific to your business.

- ☐ Does this software support our strategic goals?
- ☐ Does it have all of the functions and tools we need?
    - ☐ Onboarding and offboarding
    - ☐ Recruitment and Applicant Tracking
    - ☐ Core HR
    - ☐ Payroll and rewards
    - ☐ Learning and Development
    - ☐ Performance Management
    - ☐ Time and attendance
- ☐ Can it be self-service?
- ☐ Is the software easy to use?
- ☐ How accessible is the software? Does it meet accessibility needs of the team?
- ☐ Can it be used remotely?
- ☐ Does it use AI?
- ☐ Is the AI set up in a way that our users will appreciate and gain value from?
- ☐ What are the integration options?
- ☐ Does it meet our cybersecurity standards?
- ☐ How advanced are the platform's reporting tools?
- ☐ What is the usual time to ROI?
- ☐ Do the vendor's values align with your procurement policy? (Important to
- ☐ consider if you have strong sustainability or corporate social responsibility policies)
- ☐ What's the total cost of ownership including licensing, fees, etc.?
- ☐ What internal resource will be needed for implementation?
- ☐ How will this be maintained and made future-proof
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____

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Getting external help

Selecting and implementing a new HCM can be a massive undertaking. So, it's completely understandable if, even having the skills in-house, you might just not have the time. That's where external consultancies (like Silver Cloud 👋) can really come in and do some magic for you.

Bringing in experts with years of practice implementing HR platforms both in-house and in consultancies can offer you a unique view into the people tech landscape. Rather than simply selecting from what you know, you can get a real whole-of-market look at the possibilities. This can, ultimately, save you time and keep you from choosing a system that doesn't actually meet your needs.

Case Study:
Smooth HR software selection for Scottish law firm

Read the full case study here

Top ranking Scottish law firm, Burness Paull, recently went through the major task of selecting new HR software for their business.

It had been over a decade since the original implementation of their HR software and the market had changed considerably. Without any internal expertise in the current HRIS world and understanding that this project would impact every single one of their over 700 employees, they reached out to Silver Cloud to help.

The solution

Beginning with understanding how things are currently being done and creating a vision for their future state, we helped Burness Paull understand exactly what their requirements were for this project.

From that point, we started the process of assessing and short-listing vendors. The Burness Paull team appreciated being able to progress with the short-list based on what they needed, rather than having to start at the beginning.

Another aspect of working with Silver Cloud they enjoyed was vendor management. There were several areas where Silver Cloud was able to act as an intermediary, supporting the goals of Burness Paull and preventing them from having time taken up by sales calls and early-stage pricing negotiations.

"I've only got good things to say about Silver Cloud and I think it was just a massive help and we would have been totally lost without you guys. I'm so glad that we went down that path because, you know, the more you start to see it, the more you realize how complex it is and you do really need a bit of support unless it's something that you do all the time."

How Silver Cloud can help

We consult differently. And that's something we're very proud of. Where a typical consultancy might have ties to specific vendors or bring in under-experienced team members, we really do have a 'whole of market' approach and our team are highly experienced. And those factors can make all the difference in a project like this.

Especially because we really embed ourselves into the HR team and your culture to deeply understand the driving forces behind your project and the metrics for it to really be considered a success. We even go to bat for you and really challenge vendors to give you their best.

With that deep understanding, we are able to save you and your team a lot of the headache and drudge work that comes with undertaking such an extensive project. Instead, you can focus on what you do best, while we do what we do best in the background.

The outcome of the process will be more thorough than it could be if you were stuck trying to balance both the selection and your other full-time duties. Plus, you'll get support & guidance from an experienced team on both the requirements and the vendor selection.

When you work with Silver Cloud, you get:

✓ Years of HR tech experience from both in-house and consultancy

✓ An unbiased look at the whole HCM market

✓ Help from people who truly understand your needs and culture

✓ Vendor communication management

✓ A tried and tested approach to selection

✓ Your time and energy back to focus on what matters

Speak with one of our experts today and discover how Silver Cloud can make your HCM selection easier and more effective.

Chat with Laura to get your selection project in motion:

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