10 TIPS FOR HCM VENDOR EVALUATION

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There's one area of your business that impacts the daily experience of every person across your organization — payroll and HR. That's why it's important to find a human capital management (HCM) system that can connect people and workflows in impactful ways. The right solution should support your daily operations, enable strategic growth, help reduce compliance risk and improve employee engagement.

1   Identify future HCM requirements

Before you evaluate HCM system features, define what you want to accomplish, change and improve. Look at the key initiatives of your senior leaders and consider the role that technology and related services might play in achieving their goals. You may also want to weigh the value of personalized experiences, which can help meet needs across your organization by function, location, team and individual.

By thoroughly assessing your current and future HCM requirements, you can more effectively plan for implementation and adoption. And by selecting a vendor that can grow with you, your organization can evolve with uninterrupted support.

2   Ensure HCM system compliance

Today, organizations are expected to react quickly to compliance requirements despite the difficulty of managing diverse regions. And, if your operations span multiple jurisdictions, states or countries, your payroll and HR needs will be more complex and the requirements to stay compliant much more complex. You might need multilingual systems and support, as well as multinational payroll, and you'll need to remain compliant with ever-changing legislation.

The ideal HCM system and associated services must keep pace with the rapidly changing regulatory and statutory requirements at the global, national, state and local levels. It should also be capable of serving a diverse workforce with different pay preferences and HR needs.

3   Prioritize HCM security and privacy requirements

Today's digital landscape offers limitless possibilities, but comes with complex security risks. You need to ensure your business processes, infrastructure and sensitive information are protected at all times.

When choosing an HCM system, know exactly how your organization's data will be stored, transferred and backed up. You may want multiple layers of data backup and system redundancy if you handle a high volume of critical information. HCM systems should also deliver advanced services and technology for privacy, fraud and crisis management.

4   Transform HCM data-in-action into a competitive advantage

Empowering all levels in your organization with real-time insights and robust AI capabilities, promotes better decision making. With the power of intelligent technologies, like generative AI, natural language processing, machine learning and more, the right HCM partner gives you an HR advantage.

Best practices for HCM analytics include:

- A centralized, specific data set for all HCM metrics
- Ability to pull from many, validated examples of workflows
- Configurable analytics for custom insights
- Industry-wide data for benchmarking
- Predictive analytics for modeling and forecasting
- Ability to take advantage of various tax credits and incentives

An intelligent HCM system can help with these measures. Look for providers who have experience using next-gen tools and analytics to drive business growth, as well as technology that lets you share data widely, without compromising its integrity.

5 Look for a proven HCM system implementation model

Success starts with implementation. The right HCM partner will provide you with a robust implementation plan, which may include change management strategy, executive sponsorship, a network of change champions, clear messaging and, above all, the support you need to succeed.

Guard against vendors that require payment prior to the start of implementation, and be sure to ask questions around data conversion, third-party integration and milestones.

Additionally, ensure that the vendor you choose offers flexible financial models, that the implementation fees fall within your available budget and that you're protected against unexpected costs, such as those from a third-party integrator or API, or even implementation of a module you are not yet taking live.

6 Leverage innovation to drive widespread HCM system adoption

Successful adoption of your new HCM system requires adequate preparation of your people, processes and data. Securing stakeholder buy-in during the beginning stages of the project is critical. And as you move through implementation, preparing end users with change management, communications and training helps to ease the transition.

You can rely on the experience of your vendor for the latest HCM adoption tactics, both specific to your environment, industry or strategic objectives, and powered by the latest technological updates, like AI, to deliver unique experiences to you and your organization and make adoption stickier and more intuitive.

Look for a vendor with a broad network of consultants and experts who can connect you to third-party-validated HCM best practices.

7 Set yourself up for long-term sucess with the right service model

Your HCM system is only as strong as the support model behind it. Quality service plans anticipate your growth and can adapt to changes to the workforce, regulatory and compliance requirements, and emerging business trends.

The service model that compliments your HCM system should help manage the hundreds of post-payroll tasks necessary to keep you compliant, and should interact with various agencies on your behalf whenever questions arise.

The right vendor is an HCM expert that can provide best practices and customized recommendations to turn your insights into action and maximize your investment.

8 Consider an HCM vendor's history and investment in the future

Implementing an HCM system is not something you want to repeat more often than necessary, so it's important to partner with a provider who can grow with you.

Look for a vendor whose technology and service model are capable of supporting your ongoing needs and who:

- Values and invests in innovation
- Addresses business challenges that arise from an evolving workforce
- Has a long history of stable ownership and fiscal stability
- Provides transparent financial results
- Has a lengthy and proven track record of successful implementations
- Is a tenured industry stalwart offering extensive thought leadership and expertise

Questions to ask about HCM service plans:

- Who will be responsible for day-to-day service, data conversion, data integration and system changes?
- Does the provider have strategic advisors who can provide insights, ideas and leading practices?
- Will you have a dedicated service team with deep domain expertise for ongoing support?
- If your organization is global, will you have the same level of support in each country or region?

- Does the vendor offer an advocacy program that allows you to provide insight to shape future product development?
- Is there a client community where you can learn from and network with other HCM professionals?
- Does the vendor have compliance experts who will help manage tasks associated with taxes, garnishments and other work that often falls to HR departments?

9   Look for an HCM partner who can help evolve your people strategy

The functionality of your payroll and HR systems should support all employee types (e.g. salaried, hourly, contract, freelance and unionized) at each step of the employee lifecycle.

The right HCM system can help your HR team foster engagement and maximize recruitment, performance and development. It can also more closely align your talent strategy with your business goals, allowing you to balance the needs of both your organization and your employees.

Additionally, the right HCM partner should be able to support your unique needs by offering a variety of service models — from RPO to complete managed services. The ideal HCM partner can also provide consultative services to assess and leverage any tax credits and incentives for which you may qualify, based on your hiring and workforce management practices. This can help improve your bottom line!

10   Validate HCM systems with outside-in perspective

Outside experts and other professionals who have implemented HCM systems can help inform and validate your decisions. Look at peer reviews, third-party consultant and industry analyst feedback and vendor and product.

The right HCM technology offers so much more than administrative capabilities. Providers who use the latest technology and analytics practices can help take your organization to the next level. You'll be better positioned for strategic growth and able to proactively meet workforce, technology and data trends.

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

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"We switched from our previous provider to ADP because we wanted a certain level of service and functionality that we weren't getting. ADP is a comprehensive payroll and HR solution. There are items we outsource to ADP and they get done right and on time, and that's important for someone like me."

— Randy Pianin
CEO, JAE Restaurant Group

ADP is an overall leader in HCM suites, with ISG pointing to our product and customer experience. See where we outperform UKG.

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Generative AI search tool to find apps that meet your top needs	✔	✘
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No-fee, in-house strategic advisory services[2]	✔	✘
Innovation backed by trust Trusted-not-trendy-for 75 years and counting		
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2025 Artificial Intelligence Excellence Awards presented by Business Intelligence Group[3]	✔	✘
Years positioned as Leader in Multi-Country Payroll (MCP) Solutions PEAK by Everest Group[4]	11	1
ISG Overall Leader HCM Suites Buyers Guide[5]	✔	✘
Annual R&D Investment[6]	$1.27B	$0.6B

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— Priyanka Mitra
Vice President, Everest Group

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Global payroll countries	140	160
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