



THE HCM TECHNOLOGY LANDSCAPE: PIECING TOGETHER THE HCM TECHNOLOGY PUZZLE

March 2016

A COMPLEX LANDSCAPE

Enabling a New Conversation

There's no question that the world of HCM technology grows more complex by the day. There are tools and solutions of every stripe and solution providers all seem to have their own definition of the suite or integrated solution. So how do you compare apples to apples? And how do you know if apples are really what you need? Before your organization can even think about selecting a solution, you need a tool to help understand what technologies exist, how they integrate and work together, and how to match them to your organizational needs.

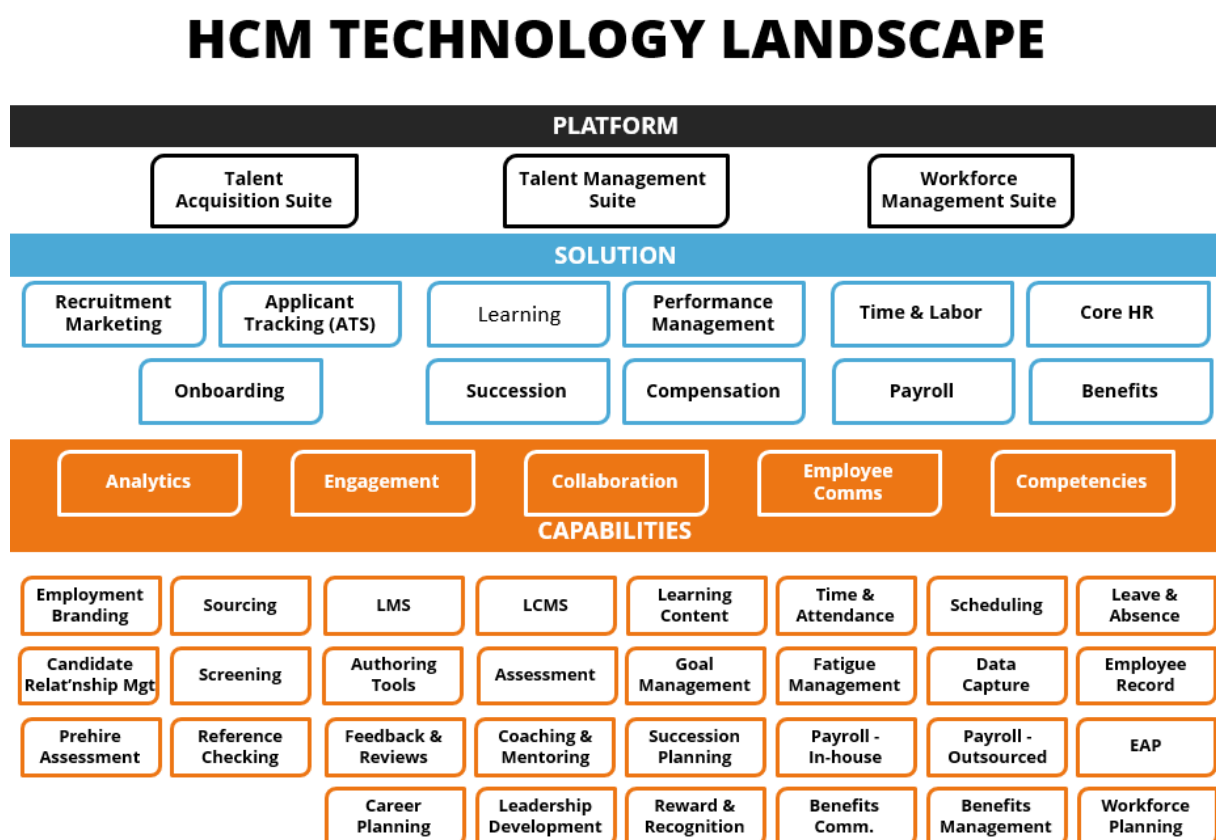


THE HCM TECHNOLOGY LANDSCAPE

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Aptitude Research Partners has developed a model that can help your organization see the various pieces of the technology puzzle, as well as a set of questions that can help your organization evaluate its technology needs and change readiness. This process is designed to help your organization translate its human capital strategy into a practical technology strategy and arm you with the insights to go find your best-fit solution provider (Figure 1).

Figure 1: The HCM Technology Landscape



Source: Aptitude Research Partners.

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The HCM Technology Landscape is a model designed to help organizations understand the breadth of HCM technology available and understand the capabilities of technology providers. It can be used to:

- **Audit current technology.** Often organizations have capabilities in place they aren't even aware of, or are not using it in the most effective way to support their strategy. What technology capabilities do you have in place today? What capabilities may be a part of solutions you already own, but are not making use of? And where are the gaps in functionality?
- **Bring clarity to a complex and crowded market.** There are point solutions available for every box in the technology landscape, and their infinite combinations of bundled solutions. Some are truly integrated in a single platform; some simply live under the same logo. But by understanding who offers what, organizations can make better informed comparisons and help match offerings to their needs.
- **Build the technology strategy to support talent strategy.** As illustrated in Aptitude's Human Capital Experience Economy model, technology and services help operationalize strategy. By understanding the capabilities required to support your strategy, and mapping those to solution offerings, organizations can build the right infrastructure to deliver on business need.

The model is designed to be a visual map that tells you at a glance how a provider or offering is designed to impact your organization. It is important to note it does not quantify or evaluate that impact or tell you what solutions you need. It is simply a visual representation of the solutions offered by a specific provider.

As ARP profiles providers, we will use this model to illustrate:

- **Platform** - Is the provider offering an actual unified platform with modules that address multiple areas of HCM? Where do they view themselves impacting the HCM lifecycle?
- **Solution** - What area of HCM does the solution address – be it sourcing, learning, or payroll. What process is it solving for?
- **Capabilities** - What capabilities and functionality are delivered through the solution? It may be just one or many.

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READING THE MAP

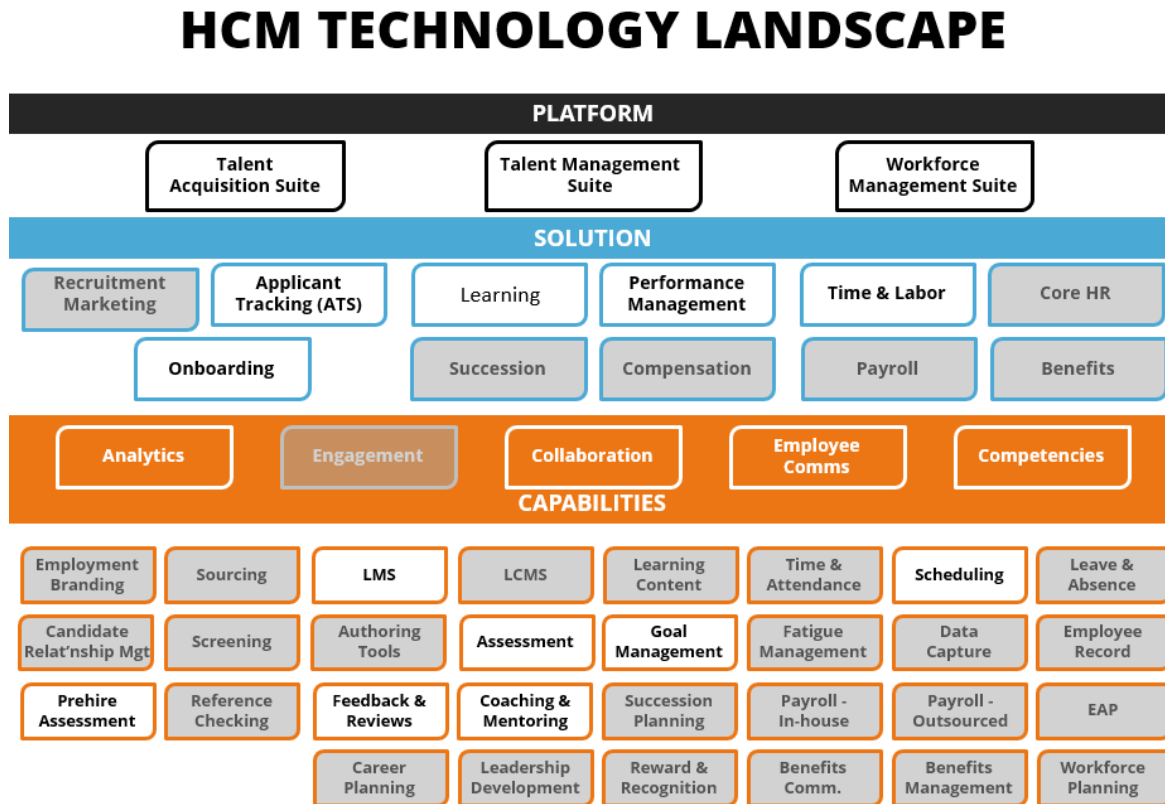
The talent strategy is the foundation for any technology investment. What kind of employer do you want to be? What kind of talent do you need? What elements of your workforce are competitive differentiators? Everything your organization believes about how people should be hired, engaged, and retained should be defined in your talent strategy. The purpose of the technologies described in this model is to enable that strategy -- making the processes that support it more efficient, effective, and engaging.

Figure 2 is an example of a provider solution map. These maps are based on Aptitude's view and understanding of the solution provider and its offering through publicly available information, briefings, and or conversations with customers. In this example, Provider A positions itself as an integrated solution with a strong emphasis on talent acquisition that also provides capabilities around learning, performance, timekeeping, and scheduling. By looking at where a particular provider "lights up" the model, you can see both how the solution provider views itself in the marketplace and where their solutions may match with your organization's needs.



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Figure 2: Example



Source: Aptitude Research Partners.

If you are conducting a technology audit of your current solutions, it also may help you see where you may not be utilizing the solutions offered by particular provider. There may be a valid reason why you are not using a particular area of functionality, but it's important to understand the why behind these decisions. For example: Your ERP solution may offer time and labor capabilities, but your business requirements necessitate an additional workforce management solution to bring you the full capabilities you require. It's important to understand what you have available so that these become business decisions, not default use of the closest tool at hand.

Defining terms in the human capital space has always been a challenge, so the model can also help alleviate some of the confusion in the marketplace, teasing out the capabilities of various providers, enabling organizations to truly match their needs to solutions.

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MATCHING NOT RANKING

In today's technology environment, buyers have a responsibility to make sure they know enough about their own requirements before they engage in purchase decisions. In this very crowded marketplace, feature/functionality has become table stakes and organizations must look for the key differentiators that will make the difference for their organizations. Best-of-breed or point solutions – those from providers who focus exclusively on one particular part of the puzzle – are not necessarily better or worse than those that cover bigger swaths of HCM or even end-to-end solutions. It's about finding the right combination that meets your organization's requirements. We can define these requirements five key categories:

EXPERIENCE REQUIREMENTS – Does it deliver not only functionality, but a user experience – for employees, managers, execs, and HR professionals – that fits with your corporate culture and point of view?

TECHNOLOGY REQUIREMENTS – Does it offer the right delivery model – SaaS, on premise – as well as meet the technological requirements to fit in your IT environment? Does it require IT support or capability beyond what you are able to provide today and is that a deal breaker? And most importantly, if and how will this solution integrate with your other HCM and enterprise technology?

EXPERTISE REQUIREMENTS – Does it have the depth of functionality you require for the particular process? Or is good enough good enough for your organization in this area? Are the services that are available with the technology of a level of expertise that meets your organization's needs?

RELATIONSHIP REQUIREMENTS – What is the ongoing support like? What are the contract and payment terms? How do you capture and communicate about return on investment with your provider?

CHANGE REQUIREMENTS – What is the solution provider commitment to ongoing R&D? How do they support you during implementation, upgrades, and routine maintenance?

As you evaluate solution providers, we encourage you to map them to the technology model and use the requirements model to help you determine the right technology mix to meet your needs.

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Aptitude Research Partners is a research-based analyst and advisory firm focused on the new conversation required by changes in how HCM technology is delivered and utilized by today's organizations.

Our goal is to look beyond the obvious product capabilities to identify the real differentiators organizations should be looking for when considering providers, as well as the change management and change readiness capabilities consumers must have in place for successful technology adoption.

We conduct quantitative and qualitative research on all aspects of Human Capital Management to better understand the skills, capabilities, technology, and underlying strategies required to deliver business results in today's complex work environment.

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