Prioritize Implementation Readiness for Cloud HCM Suite Deployments

Published 24 November 2020 - ID G00720144 - 13 min read
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Initiatives: HCM Technology Transformation

Despite being guided through implementation, many organizations fail to adequately prepare. Application leaders-transforming HCM must allocate time to address important planning activities. Addressing preparation activity drives positive implementation outcomes and project success.

Overview

Key Challenges

- Organizations that don't build a great implementation team fail to develop the capabilities and talent needed to optimize human capital management (HCM) in the operational phase.

- Organizations that fail to complete essential readiness tasks risk increased problems, delays and escalating costs.

- Stakeholders maintain different priorities and appetites for standardization, making it a challenge to gain consensus for change.

Recommendations

Before implementation starts, application leaders supporting HCM technology transformation must:

- Engage the right talent by building a team combining the right HCM expertise and experience.

- Avoid implementation problems by spending at least four weeks addressing necessary readiness tasks before implementation starts.

- Establish a stakeholder-led HCM design authority to drive support for change and standardization.

Strategic Planning Assumption

By 2025, 60% of global midmarket and large enterprises will have invested in a cloud-deployed HCM suite for administrative HR and talent management. However, they will still need to source 20% to 30% of their HCM requirements via other solutions.
Introduction

Some organizations procure a cloud HCM suite without fully scrutinizing the provider’s methodology for delivery and implementation. It’s common for a vendor’s implementation methodology to be structured in a series of phases, designed to successfully deliver a technical migration and working product (see Figure 1). This implementation methodology often relies on an assumption that the client will address readiness and change management activities. Such a methodology is crucial to promoting adoption and support for a high-profile, enterprisewide programme of change affecting every employee. However, application leaders often fail to address readiness activities. This is usually because these tasks are not obvious components of a vendor’s implementation methodology, upon which the client relies for guidance. This results in bottlenecks, delays, escalating costs and a stressful implementation experience. Ultimately, failing to address readiness activities risks the success of the deployment.

Figure 1: Implementation Timeline

<table>
<thead>
<tr>
<th>Phase 0</th>
<th>Phase 2</th>
<th>Phase 4</th>
<th>Phase 5</th>
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<tbody>
<tr>
<td>Readiness</td>
<td>Solution Build,</td>
<td>Deploy Go-Live and</td>
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<td>Refine and Test</td>
<td>Hypercare</td>
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Source: Gartner 720144_C

How can clients best prepare for implementation, and experience a positive implementation journey with successful business outcomes? This research outlines the tasks that application leaders must prioritize and address weeks before implementation kicks off. Doing so will allow them to achieve a successful deployment outcome.

Analysis

Engage the Right Talent by Building a Team That Combines HCM Expertise and Experience

Use the planning phase to co-create a high-performing collaborative team with your implementation partner (IP). Ask your IP to provide a RACI (see Program RACI Matrix [Charles Schwab]) to determine a clear set of roles and responsibilities for the team. The RACI must outline for each task or project
workstream element who is responsible, accountable, consulted or informed, and agree on handover or handoff points.

Establishing a team with a clear purpose from the very start is critical far beyond the planning and implementation phases — helping the organization to design and resource an HCM target operating model (TOM). The goal for any project of this type must be achieving a high degree of autonomy with HCM. This will help to avoid constant support requests and the cost of having to outsource management and maintenance of the platform. Use the implementation journey to apply what is learned during implementation, to assign talent, and to develop a center of excellence (COE) for ongoing HCM suite management. See How to Build Successful Communities of Practice for Knowledge Management for more information on the different types of communities that may be created to sustain and optimize HCM suite support. The characteristics of collaborative groups are also illustrated in Figure 2.

Figure 2: The Characteristics of Collaborative Groups

The Characteristics of Collaborative Groups

Plan the resources required for implementation and beyond — not just by describing roles and responsibilities, but also according to level of involvement across delivery phases and workstreams (high, moderate or low). Where agile methodology is used, involvement will be moderate throughout the project for some roles (see Create Awesome Software Using Agile Practices). Where waterfall methodology prevails, involvement for some roles will experience peaks and troughs at particular project
phases. Analysis of roles and their level of involvement will inform backfill planning for the domain experts most closely involved in the delivery of the project. Resources represent a combination of client, vendor and IP resources. During this process, the client team will primarily be guided through planning and implementation activity by the vendor and IP. Figure 3 outlines product owner characteristics. Application leaders should also understand some of the roles that must be resourced and assigned as part of the implementation planning phase.

**HCM Suite Product Owner**

Typically this role comes from the client’s own team. This role is responsible for maximizing project value and outcomes resulting from the work of the development team and how HCM is consumed. Select the right person based on their passion and vision for HCM and their ability to adapt to changing priorities based on customer feedback. See [3 Steps to Staff the Product Owner Role to Strengthen Agile and DevOps Teams](#) and [Product Management for Midsize Enterprises](#).

![Figure 3: Product Owner Characteristics](image)

**Application Leaders’ Actions for Effective Product Owners**

This role translates business and technical requirements into an architectural blueprint to achieve business objectives. The technical solution architect documents all solution architecture design and
analysis work. They are responsible for mapping dependencies within, and integrations with, third-party applications. See Tool: Solutions Architect Job Description.

Vendor Coordinator

This role is typically from the client’s own team. The vendor coordinator is responsible for managing vendors to remove bottlenecks and delays. They ensure that notice is served to the incumbent HCM suite vendor. The vendor coordinator shares project timeline with incumbent and third-party vendors. They also agree on data extract methods and timelines for data migration with internal and external stakeholders that will exchange data with prospective solution.

Data Steward

This role is resourced by the client, often with support provided by the IP. The data steward is responsible for managing data migration, conversion, validation and the HCM data loader. The data steward develops a data exchange map, tests data extracts and assesses data readiness and condition. They also obtain data collection templates to be used for data migration purposes. See Six Data Migration Pitfalls to Avoid When Implementing HCM Technology and Make Data Migration Boring: 10 Steps to Ensure On-Time, High-Quality Delivery.

Beyond their role delivering the data migration element of implementation, this resource could potentially be used to help execute the enterprise data management strategy in order to enable better reporting and analytics capabilities (see Think Big, Start Small, Be Prepared — Master Data Management). Figure 4 outlines how application data management for HCM suites is nestled between an overarching master data management strategy and specialist data tools.
Change Management Lead

Depending on the level of change maturity across an organization, this can be a resource within the client team or acquired from a consultancy or IP. The change management lead defines and executes the change and adoption strategy. They manage stakeholders, communications and end-user system training. The change management lead influences stakeholders to successfully overcome barriers to change. They drive the necessary process changes and embed new ways of working for the adoption of the prospective solution.

Business Analyst

This expertise can be resourced from within the client’s own enterprise, and may also be provided by a third party — especially where the resources may not be available within the client’s own organization. Business analysts facilitate process harmonization and design workshops with HR domain experts to move toward the future-state solution — a single instance of HCM. Business analysts compare the current solution and the future solution in order to deliver a fit gap assessment. They identify relevant process gaps that will need to be addressed outside of HCM. They also undertake analysis, process and workflow mapping activities.
This expertise is provided by the HCM vendor or the IP as it requires a deep understanding of the new HCM suite's features, functions, future roadmap, configuration and design capabilities. It is highly unlikely that the client team will have a comprehensive understanding of the new HCM suite's process management framework, configurable workflow routing and notifications for both transactions and composite business processes. Therefore, the HCM functional consultant interprets the client's functional requirements and applies them to configuration decisions and solution design. They articulate HCM product and service capabilities to the client. They also lead system design, configuration and test planning activities.

The knowledge acquired during the implementation journey poses a wonderful opportunity to establish a target operating model for HCM. See How to Model Your Cloud ERP Support Team to learn more about how to create a combined team made up of HR and IT resources.

**Address Necessary Readiness Tasks at Least Four Weeks Before Implementation Starts**

Preparation is the key to success, and good preparation can prevent delays further down the line. Allocate a minimum of four weeks to preparation activities. Some of these activities (such as integration planning and data mapping) can be started as early as during the HCM procurement and contracting phase. Table 1 provides what is by no means an exhaustive list of key activities to address prior to implementation kickoff.

Application leaders must conduct a readiness assessment. The HCM vendor will undertake a technical readiness assessment, however during the planning phase, the client must ensure that an organizational readiness assessment is also undertaken. The success of a SaaS deployment depends on whether the organization is equipped and ready internally to handle the project. It would be inadvisable to embark upon an HCM project without some key prerequisites in place. Ensure that your organization has the requisite capabilities in place to efficiently manage the application overhaul. These capabilities include change management, corporate governance and an appetite for innovation.

The sample checklist in Table 1 helps application leaders understand what they should evaluate before embarking on the project. Identify the points in the tab where you have marked an assessment area with “no.” Add them to your risk management plan and evaluate how you can overcome or minimize those obstacles before commencing implementation. Typical risks will include poor stakeholder support, lack of change management maturity, issues with data availability or integrity, and lack of implementation resources or capabilities.
Table 1: Example Organizational Readiness Checklist

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<tr>
<th>Check</th>
<th>Example Organizational Readiness Assessment Criteria</th>
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<tr>
<td></td>
<td>There exists a standard set of HR processes and workflows adopted by all HR teams</td>
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<td></td>
<td>There exists a stakeholder management process and communication strategy</td>
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<td></td>
<td>There exists a business case with measurable objectives and key performance indicators (KPIs)</td>
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<td></td>
<td>There exists a set of human capital management (HCM) user personas and user journeys to address the goals of HCM transformation</td>
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<td></td>
<td>There exists a data management, migration and governance plan</td>
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<td></td>
<td>There exists an HR process and policy design authority</td>
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<td></td>
<td>Feedback is collected from employees, managers and external stakeholders and acted upon on a regular basis to improve HR processes and the customer/user experience</td>
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<tr>
<td></td>
<td>There exists an enterprise application change management process and team to manage enterprise application upgrades, changes and enhancements</td>
</tr>
<tr>
<td></td>
<td>Required capabilities for implementation, together with resources and gaps, have been identified</td>
</tr>
</tbody>
</table>

Source: Gartner

Stakeholders will have significant power and influence over the acceptance and support for your project. Undertake a stakeholder analysis and create a power interest grid to plot where stakeholders need to be managed closely, kept informed, satisfied or monitored. Refer to and update your stakeholder analysis throughout the implementation and operational phases.

Well ahead of commencing with implementation activities, identify appropriate delegates to attend:

- HCM suite training (for HR domain experts)
- Delivery excellence training (for the implementation team)
HR domain experts will find attending HCM familiarization training useful. It will inspire thinking and develop insight regarding how to adopt new features, workflows and user experiences. It will also help them process the impact of change. Delegates must collaborate to document requirements that are not discovered within the solution's proposed project scope, and classify these as either essential or nonessential to the achievement of customer-centric outcomes and business value. Use the following categories to ascertain impacts in terms of cost benefit:

- **Requires a workaround**: This could represent a manual intervention, or use of a third-party application.

- **Requires additional HCM modules**: These items are out of scope of the original agreement and potentially delivered following the project as a roadmap element. These items will require additional investment, effort and licensing.

- **Unsupported; requires platform as a service (PaaS) or integration platform as a service (iPaaS)**: Custom functionality or integration needs to be developed. This will require PaaS or iPaaS. These items must be fully scoped, budgeted and maintained accordingly. See What You Need to Know About HCM Platform as a Service.

Once categorized, it is important that those who attended the training and have become familiar with system capabilities connect with the steering committee and design authority. They will review the project scope and agree on next steps.

Delivery excellence training must be attended by the resources involved in the implementation. This type of training will be expected to provide insights pertaining to implementation methodology and RACI. This will help those involved understand what to expect and how to work together to deliver implementation successfully.

**Establish a Stakeholder-Led HCM Suite Design Authority to Drive Support for Change and Standardization**

When an enterprise deploys a common HCM suite globally, it must harmonize common shared business processes and adopt a standard model to support those processes. To do otherwise makes ensuring long-term support and sustainability difficult and costly. Harmonization requires minimal variation in processes and configuration and robust governance of change requests from business process owners and business units. The design authority (also commonly known as a change advisory board) has a role distinct from project governance. They must provide the infrastructure for project delivery. The design authority is also distinct from a steering committee, which drives the demand for HCM transformation.

A design authority (DA) is responsible for the delivery of an optimal HCM solution that delivers value to the enterprise and stakeholders. The DA composition encompasses business domain experts from HR, finance, payroll, data and security, and IT, as well as employee and manager stakeholder representatives. As a collective, they have an enterprise wide view of business processes and enabling technologies.
DA members maintain an understanding of the overarching business strategy and business case for change. Members actively participate in HCM-vendor-led familiarization, solution design proposals and workshops. They are also responsible for enforcing alignment of business processes and the HCM solution, without encouraging undue complexity and cost. The design authority must complement governance by underpinning the development and delivery of an elegant and agile HCM solution with effective data flows, integrations and architecture. Some DA activities will include:

- Maintaining a set of target business processes.
- Defining the system landscape to support the processes.
- Managing requests for changes to the target business processes.
- Assessing and approving regional exceptions to the business processes included in the global template.
- Deciding how global processes will interact with regional processes.
- Informing people of both the intent and the content of the target business processes.

Ultimately, the DA members are continually looking to balance standardization, local needs, the case for change, cost and efficiency. A properly functioning DA is critical to ensuring the efficient and timely improvement of the deployed HCM suite configuration. This helps the organization to increase its ability to meet constantly evolving business and market needs.

**Acronym Key and Glossary Terms**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>HCM</td>
<td>human capital management</td>
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<tr>
<td>KPI</td>
<td>key performance indicator</td>
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<tr>
<td>RACI</td>
<td>responsible, accountable, consulted and informed</td>
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<tr>
<td>TOM</td>
<td>target operating model</td>
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**Recommended by the Author**

- Prioritize Change Management for a Better Workday HCM Implementation
- How to Structure I&T Into an Interconnected, Value-Optimized Organization
- Use Value Streams to Drive Customer Centricity, Design Services and Operating Models, and Technology Platforms
- What You Need to Know About HCM Platform as a Service