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Where digital HR and the cloud meet

Transform engagement, transform work, transform the enterprise

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Think moving to the cloud makes you a digital organization? It's a step in the right direction, but transforming into a truly digital enterprise—one that can compete effectively in a rapidly changing economy—requires a lot more. When it comes to the HR function, especially, moving forward with cloud and other digital capabilities requires a strategic approach.

The workforce today is far different from the workforce of just a few short years ago. Changing technologies and changing demographics mean worker expectations—just like customer expectations—are rising. Like your customers, your workers—whether they are corporate employees, established contractors, or "gig economy" freelancers—expect an ease of use and 24/7 availability from the tools they use. More than that, they typically expect experiences that anticipate their needs, recognize them as "the same person" at every interaction, deliver self-service capabilities, and provide relevant insights on which they can act.

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Going beyond

Fail to get the employee experience right and the effects can have a far-reaching impact on your ability to recruit, nurture, and retain employees— and ultimately on your ability to operate effectively. The challenge grows as business and technology disruption continues unabated, requiring organizations to think carefully about solutions and strategies that can help them thrive.

To address evolving challenges and the rising expectations of workers, many organizations have turned to offerings such as SAP® SuccessFactors® solutions, including Employee Central. As cloud tools for human capital management (HCM), such offerings help streamline HR needs and provide a single source of the truth covering employee data, services, and planning. Offerings such as SAP SuccessFactors solutions also bring the potential benefits of cloud: scalability, flexibility, regularly delivered functional and usability improvements—to name a few.

But simply standing up cloud capabilities for HR doesn't necessarily mean you have enabled digital HR or helped your organization become a digital organization. To go beyond cloud—to become truly digital—you likely will have to address a number of key issues. Here are a few things to know.

Going beyond

Start with a mindset
Start by understanding your big-picture business goals and ambitions, and what it means to be a truly digital organization. Technology alone does not translate to digital. Digital is a mindset shift, a focus on customer centricity, application of advanced technology, all through the lens of a next-generation business model.

Truly digital organizations focus intently on the power of three principles: being digital at the core, developing an enabling environment and culture, and taking action—not just promoting a vision.

Understand digital HR
Digital HR is just one element of the digital organization. Activating the digital organization centers on digital DNA (23 specific traits such as an organization"s ability to be intentionally collaborative, continuously innovate, and operate with morphing team structures) and digital enablement. But other elements in play include network and leadership, an open talent workforce, a connected experience, and an ability to reimagine work.

As an element of a broader digital organization, digital HR is the application of digital traits and behaviors within HR, worker and candidate centricity, and advanced work and workforce technologies—through the lens of the next-generation, high-impact HR operating model, to optimize HR and deliver sustainable organizational performance.

Digital HR should drive your evolution and help the business define each component of the digital organization. HR also should be a "digital first" business that shapes the consumer-grade experiences and cultural behaviors that will help the organization thrive.

Harness the power of cloud
The debate over cloud is coming to an end. Across industries today, many leaders recognize cloud solutions as necessary to survival. Cloud technologies are mature and delivering undeniable value. As organizations continue to adopt cloud solutions such as SAP SuccessFactors offerings, many struggle

to integrate them with a more cohesive vision of digital HR—in support of a broader digital organization. Winning the struggle begins with this realization: If you are implementing SAP SuccessFactors without looking at the traits and behaviors you are trying to instill, you could be missing a big opportunity to get more value from cloud—to change your culture, help transform the way you operate, and position the enterprise for the future.

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Take things to the next level

Do more than plug in a cloud solution. Craft the solution and how you use it to optimize your existing HR operations and enable your digital ambitions. When organizations focus only on the technology—rather than the customer (the worker), the traits and behaviors, and business model optimization—they are not even doing "digital things." Cloud-enabled digital HR becomes "real" when HR leverages solutions such as SAP SuccessFactors to reinvent the HR customer experience, support a broader digital revolution within the organization, and act as a role model for an enterprise-wide "digital first" approach.

How can you do that? As an integral, value-generating component of digital HR, cloud HCM should be more than a tool for efficiency and simplicity. It should drive engaging experiences that workers need and expect. Millennials and digital natives, the earliest of whom were born in the early 1980s, are already making their way into the C-suite. Many have grown up with digitally engaging experiences that place the focus on the end user and create "moments that matter" for the user.

As you deploy cloud capabilities, ask questions such as "What do employees need? And how do we attract the candidates we will need in tomorrow's economy?" Use the answers to shape the design, implementation, roll-out, and marketing strategies for your cloud solution.

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Approach design thoughtfully and strategically. Don't overdesign or design yourself into a corner. For example, improving an HR landing page might make it more usable, but will it make it more useful? Will it support your organizational objectives and deliver a useful, meaningful experience for the worker? Out-of-the-box, user-friendly cloud solutions such as SAP SuccessFactors save you from some design burdens. But you still need to define specific user personas and design experiences tailored to their needs—requiring you to create journey maps that deliver "moments that matter" for users.

Going beyond

Understand and extend the possibilities

Greater productivity, retention, performance, and growth. Reduced administrative tasks. A modern, blended model for technology architecture. More proactive, predictive capabilities. A digital HR transformation that integrates cloud HCM capabilities can bring a host of benefits to your organization.

In addition to helping streamline and simplify processes, lowering the total cost of ownership for IT, and enabling agility, cloud HCM solutions can help you get a more complete view—a true view—of your workforce.

Many organizations lack a clear view when it comes to their use of contractors—often failing to understand the extent, the cost, and the value of contract labor. As contractor usage ticks up for many organizations, providing digital HR tools for contractors—and improving insights into contract labor— becomes important. Offerings such as SAP SuccessFactors can help, especially when integrated with solutions such as SAP® Fieldglass® for vendor management. With an extended digital HR capability enabled by cloud HCM solutions—and with a more complete data picture—your organization can begin to improve analytics and reporting. The potential payoff?

Operational efficiencies, reduced risk, and fresh insights to aid strategic decision-making.

Be prepared for what's next

The nature of work will continue to change. Robotic process automation (RPA) and, in particular, cognitive machine learning combined with analytics hold promise to disrupt the future of work in a myriad of ways. Cloud platforms supporting digital HR should be nimble enough to enable and to respond to change. Understanding how cloud solutions fit with RPA and cognitive tools will become increasingly imperative.

Cloud platforms need to work seamlessly or "play nice" with RPA and cognitive tools, as well as the data foundation that supports them. At the same time, such tools will help redefine the work of all departments, including the HR department. Repeatable, predictable, high-volume tasks will become the domain of RPA and cognitive technologies. New types of jobs will emerge. For HR, the shift means that HR professionals will be freed to focus on creating value in other ways—to focus on more strategic needs or more human interactions, with HR acting more like an internal workforce consultancy to the business.

Going beyond

Don't stop learning

Disruption will continue. Business, technologies, and the nature of work will keep changing, which means your cloud HCM capabilities enabled by digital HR likely will have to keep changing. Learning becomes essential.

Cloud HCM can serve as a tool to help you redeploy workforce resources and build an adaptable, "always learning" workforce. As you deploy cloud solutions, ask how you can use them to deliver continuous learning and provide continuous development. Explore how you can leverage cloud to make tomorrow's employee more productive even amid disruption—and how you can continue to improve the employee experience and engagement.

"The potential payoff? Operational efficiencies, reduced risk, and fresh insights to aid strategic decision-making."

Let's talk

Today more than ever, HR has a responsibility to help drive digital transformation for the enterprise. Cloud can help. But without a comprehensive, strategic approach, the value of cloud can be limited—and your organization can fall short of becoming a truly digital organization.

Deloitte can help. If transforming your business with digital HR and cloud solutions such as SAP SuccessFactors is a priority for your organization, we should talk.

Digital is about pushing the boundaries. At Deloitte, we help clients do just that. Each day across the globe and across industries, our network of 18,500 professionals focused on SAP solutions work with organizations to reimagine everything—an entire universe of possibilities with SAP solutions. We can help you, too.

Contact us to get more insights, learn about our award-winning capabilities with SAP SuccessFactors solutions, schedule a demo, or discuss specific digital HR and cloud challenges you are facing.

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