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## **Evolve for HCM success**

Changing your mindset to make  
the most out of your HCM cloud  
technology



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## Changing your mindset to make the most out of your HCM cloud technology

A great deal of effort goes into any cloud migration, especially in the case of human capital management (HCM) technology, where, arguably, most of the processes directly affect your workforce and are therefore foundational to the success of the organization. The business case for deploying an HCM cloud solution, such as SAP SuccessFactors, typically includes an expectation of accelerated ROI; an elevated employee, leader, and candidate experience; an expectation that maintenance will be simplified and lower-cost; and the promise of continuous improvement and innovation with each new release. However, many organizations struggle to realize these benefits.

So why, after making a significant investment in HCM cloud technology, aren't all companies realizing cloud's transformative power? Is it a technology problem, or is it a process problem? Could it be because these companies are not adopting the latest features and functionality of their HCM technology solutions that will enable them to realize their anticipated benefits? To be sure, other factors may be in play when companies don't realize the value they hoped for with their cloud investments, but we'd like to focus on the release management processes as a contributing factor.

Why is that some companies may not be taking advantage of new feature and functionality releases? One reason may be because many organizations don't have an HCM tech strategy and governance approach to effectively address and manage the SAP SuccessFactors feature-functionality release process. In fact, our recent High Impact Technology Strategy survey showed that only 29% of organizations currently have an HCM technology strategy.

What's the state of your organization's HCM strategy? Today, as work, the workforce, and the workplace continue to evolve, it's essential to develop an HCM technology strategy and governance approach, especially when it comes to ongoing maintenance and enhancements of your HCM cloud solution.

There are several critical success factors that can help you build a sound strategy around feature-functionality adoption. They include changing your mindset vis-à-vis technology to take a cyclical perspective on technology and become more proactive and leveraging your workforce more effectively to change the way work is done and take a fresh look at leadership.





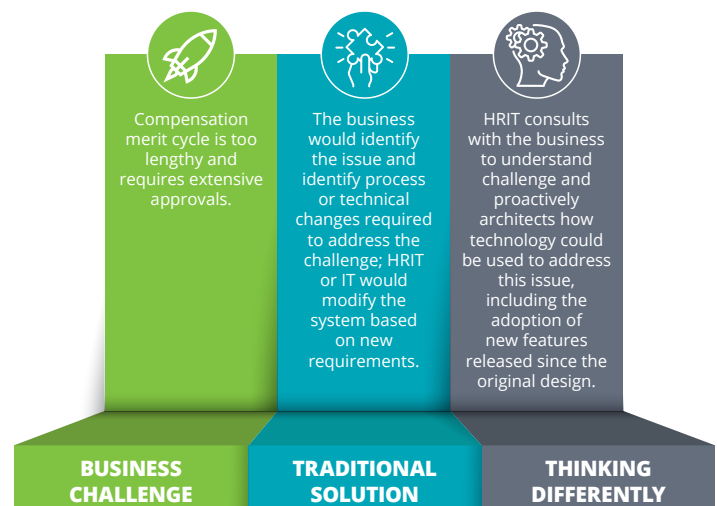
# Change your mindset vis-à-vis technology

The old adage, “It’s all about value,” is cliché precisely because it’s true. HRIT leaders have tremendous potential to add value to the business by leveraging their potent combination of technical knowledge and HR expertise and couple it with technology. To add value in this way, it takes a change in mindset to become more proactive and to develop a cyclical approach related to evaluating and deploying feature-functionality.

## Become proactive and think value

With cloud, there’s so much potential to be proactive and bring their wealth of knowledge to business leaders to help solve business problems. Often, HRIT leaders can see that the business is struggling with HR or talent issues. With the ongoing innovation offered by cloud solutions, business users cannot be expected to know how best to leverage the technology to support their processes.

Instead, HRIT leaders can help by helping proactively educate the business on how technology can be used to achieve business goals. For example, if there’s a business challenge with the timeliness of compensation payouts, you can approach the business with a plan to use new feature releases that may accelerate the compensation cycle to achieve more timely payouts.





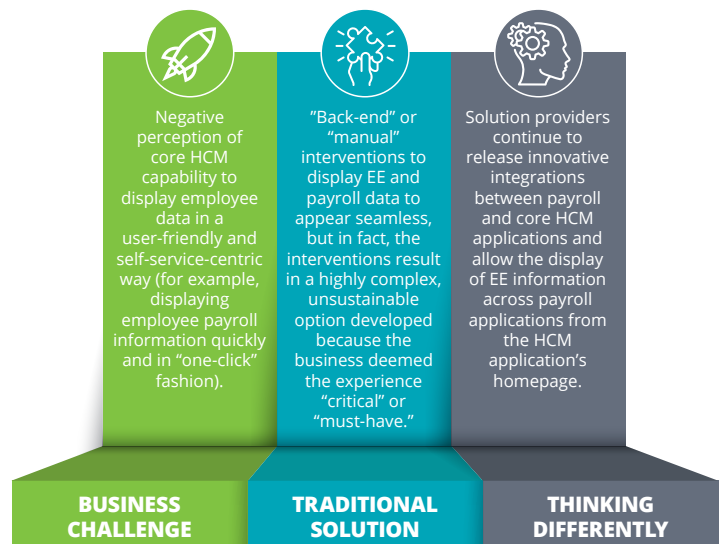
## Take a cyclical perspective on technology

HCM cloud vendors release new functionality two or more times a year, in major releases, but that doesn't mean that you have only those release windows to adopt new features. Taking a cyclical approach can help with the adoption process for new features. Instead of simply adopting updates as the vendor releases them, you can evaluate cyclical business needs and align update adoption with those needs in a timely manner.

Take SAP SuccessFactors' opt-in features as an example. Opt-in features are those new features that are included in the release, but not automatically installed. Instead, system owners can examine the needs of their business processes and decide if and when—and define how—to incorporate these features into their system. By taking a defined approach that ties into your business processes, you can establish a cadence that makes these opt-in features simply another step in your preparation for the upcoming HR cycle.

For instance, you might evaluate changes to your recruiting application on an annual basis, at least six months before gearing up for campus recruiting. That evaluation process offers you the opportunity to analyze how the new features will affect your system, define the value for your business, and determine the impact on the end-user experience. New features reviewed could include all features that have been released since your original design.

Taking such a cyclical perspective on aligning feature-functionality updates with business needs also enables your HRIS or IT team to expand its thought leadership role with respect to HR. Evaluating new features in light of their business context (and adopting them in a cadence with business needs) can create the foundation for a more proactive, consultative relationship with human resources that clearly demonstrates the value you can add to the business. This approach also allows you to plan for, implement, and communicate these changes in line with your business processes and road map instead of trying to evaluate and adopt according to the vendor's timeline.







## Client success story: Taking a cyclical perspective

In conversations with my colleagues, we've discussed how, as many organizations try to implement feature-functionality releases in their cloud deployments, they try to take on the full release within the release window and become overwhelmed. They can't complete the proper analysis of the business impact, or the business declines many of the features because they're not ready to decide. The bottleneck created can lead to a backlog in feature adoption, and before long, the release analysis becomes overwhelming due to the sheer volume of work to be done. Consequently, many features that could really make a difference to business performance aren't adopted.

When I was first given responsibility for our SAP SuccessFactors application, just after go-live, my team reacted to our first quarterly release like many of these organizations. We attempted to review, analyze, and make decisions on the new opt-in features and functionality in the short time frame between when the features were made available in the "Preview" environment and when they would be available in the "Production" environment. The task was nearly impossible because the business was not ready to make quick decisions on functionality they had just learned about or that did not align with their needs or road map of desired enhancements.

After the first release, we reevaluated our approach, and instead of aligning our adoption of the new features to when SAP SuccessFactors released the functionality, we aligned our adoption to our HR business processes and business needs. For example, we evaluated changes to our Recruiting solution on an annual basis, at least six months prior to gearing up for campus recruiting. This accelerated evaluation process enabled us to properly analyze the impact of the new features on our system, define the value for the business and how the features would affect the end-user experience. It also provided time for the business to consider the changes without making a quick, forced decision to fit a small window defined by SAP SuccessFactors.

Better aligning our adoption to business needs also allowed us to better manage the releases because we could stagger the review and adoption of all features across various HR cycles (e.g., merit planning, performance assessments, etc.), without trying to accommodate all features at one time, which also had a positive impact on balancing the work within our support team. We also evaluated Employee Central on a biannual basis outside of the release window to allow us to manage to our own schedule. If we found a feature that was a solution to a known error or business issue, we would adopt during the actual release time frame.

### The upshot?

With proper planning and a defined approach that ties into your business processes, you can manage the release cycles more effectively and begin to capture and maximize promised ROI.



## Leverage your workforce more effectively

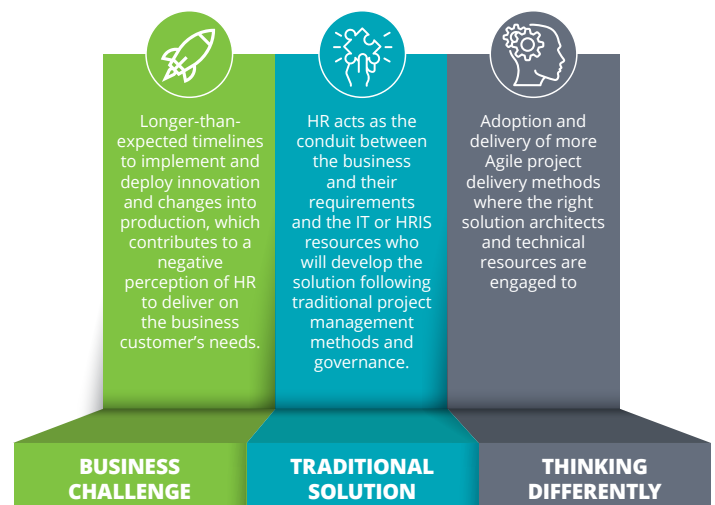
In addition to leveraging technology to its fullest potential, it's essential to have the right talent in place. Cloud has changed how workers interact with technology, and business leaders are increasingly aware of that shift. In fact, in a recent Deloitte survey, 61% of IT leaders are making the shift to reimagine the future of work.<sup>2</sup>

### Change the way work is done

The first step in reimagining the future of work is to develop a more comprehensive view of technology's transformative potential to change the way work is done. For example, automation can eliminate much of the manual processing that many organizations currently perform.

But it goes beyond automation. As an HRIT leader, you can pair your (and your team members') business knowledge with your knowledge of the features and functionality to provide suggestions for how technology can improve the way work is done long-term. For instance, you can leverage technology to redesign work in ways that allow your team members to perform at their best: working collaboratively in teams, creating knowledge, learning in the flow of work, and personalizing and humanizing the work experience.

Breaking down silos to collaborate and work across functions and business units is also key to transforming work. Recent research from Deloitte found that "A hallmark of a high-performing HR function is greater integration with the larger enterprise. This involves breaking down silos within HR (and across other business units) to create holistic, people-centered strategies." In fact, our research found that high-performing HR functions are 51% more integrated with other corporate functions, such as IT and finance, than are low-performing HR organizations.<sup>3</sup>







## Take a look at talent, teams, and leadership

Any technology you deploy is only as effective as the people who actually work to implement it. The talent you deploy to manage and maintain your HCM cloud solution can go a long way in helping that solution be successful for your organization long-term. This goes for both team members and leadership.

### Work teams

Work teams, and how they perform as a team, are critically important to long-term success. Team composition is a crucial issue. To determine whether your team composition is effective, there are several questions you can ask and answer:

- Do you have the right mix of talent and skills on your team? Where are the gaps?
- Do team members' skills complement each other?
- Are the skill sets cross-pollinated to the extent that team members can fill in for each other when needed?
- Are the teams combining their skills and knowledge with technology to enable better outcomes at speed and at scale?
- Are team members aware of business challenges that the technology they're responsible for can help solve?

How you answer these questions can be a deciding factor in the success of your HCM cloud implementation.

## Leadership

Leadership is also a foundational aspect of long-term success. Effective HRIT leaders have character and leadership traits that enable their organizations to be more than support organizations. Indeed, good HRIT leaders recognize that they are in a powerful position to add and drive value to the business. They're also agile and adaptable, and they embrace change. A collaborative mindset is also key, especially when it comes to finding ways that technology can go beyond enabling current processes to helping design new processes, based on available features and functionality.

Big-picture thinking and problem-solving abilities are also essential characteristics of an effective HRIT leader. For example, you and your teams can examine your HCM cloud technology vendor's long-term road map to get a broader picture of the future and to determine how the latest (and upcoming) feature and functionality releases can help solve business challenges that you have now and future challenges as well. You can then be proactive and go to the business with suggestions for changes that can drive value.

## Wrapping it up

As an HRIT leader, you have remarkable ability to leverage technology to add value to the business. A sound HCM strategy is key, and there are several concrete steps you can take to build an effective HCM strategy. The process starts with changing your mindset toward technology, taking a cyclical approach to change, and becoming more proactive in implementing change. Talent is crucial to your HCM strategy as well: Having the right talent in place, breaking down silos, promoting collaboration between teams, and having effective leadership that understands the big picture are all critical factors for long-term strategic success. By taking this approach to building an HCM strategy, HRIT leaders can demonstrate the value of technology to the organization, and they can also demonstrate their own value by helping the business leverage technology more effectively.

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### Endnotes:

<sup>1</sup> Chris Havrilla, Erin Spencer, Charu Ratnu, Jeff Mike, [“Four Top Findings Make the Case for HR Technology Strategy”](#), Deloitte Research Article, March 19, 2020.

<sup>2</sup> Erica Volini, Jeff Schwartz, et al., “Diving deeper: Five workforce trends to watch in 2021” (section [“Superteams”](#)), *2021 Global Human Capital Trends*, Deloitte Insights, December 9, 2020.

<sup>3</sup> Havrilla, Spencer, Ratnu, Mike, [“Four Top Findings Make the Case for HR Technology Strategy.”](#)





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