Paycor

The Buyer's Guide

TO HR + PAYROLL TECHNOLOGY

Discover the 3 Most Important Things to Look for When Choosing an HCM & Payroll Provider

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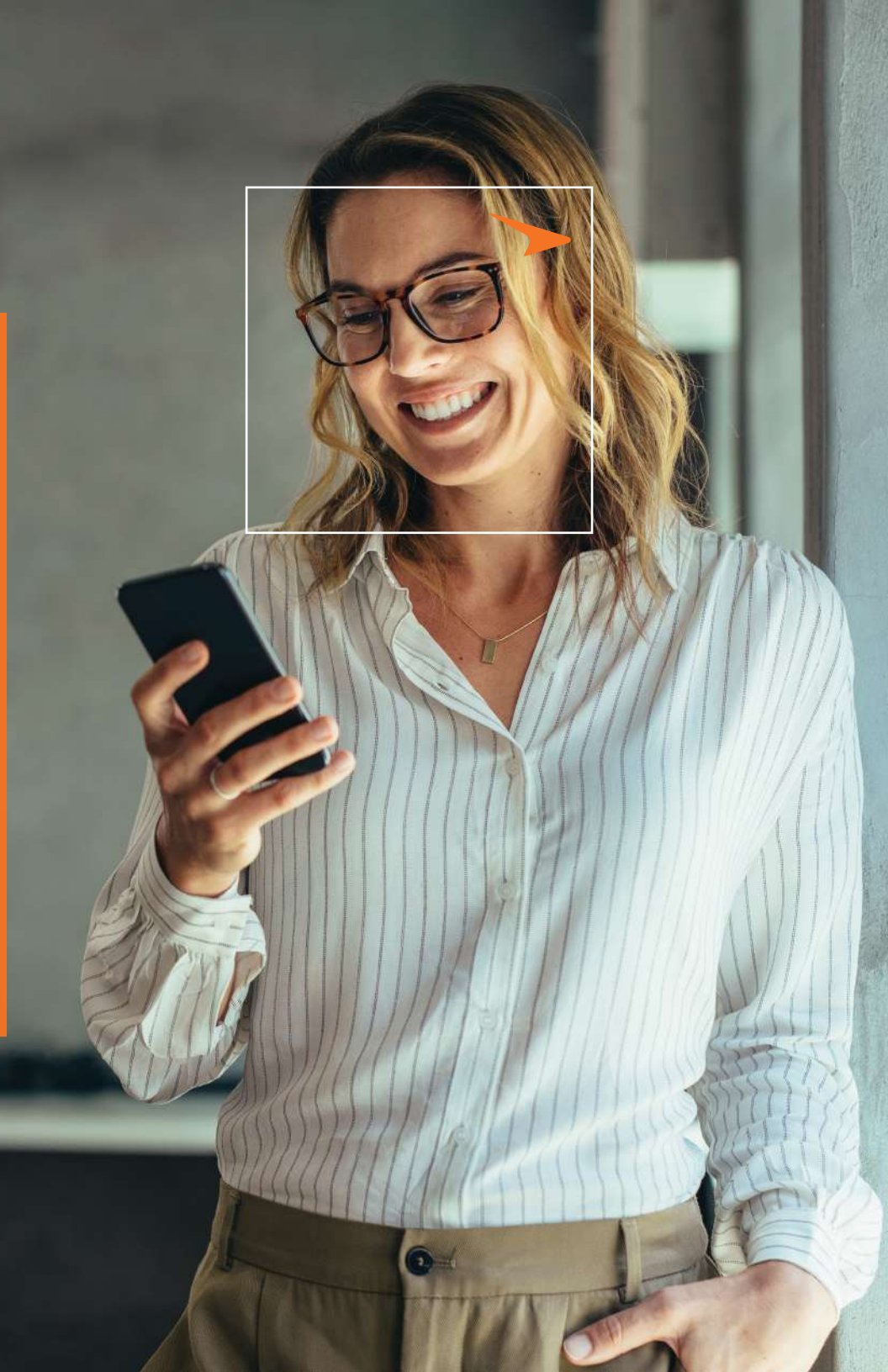


SELECTING AN HR & PAYROLL PROVIDER IS ONE OF THE MOST IMPORTANT DECISIONS YOU'LL MAKE.

Everyone in the business world is feeling the accelerating pace of change. Virtually every aspect of your business is vulnerable to disruption, from the way you buy, make and sell products and services to the fundamentals, like finding, hiring and retaining talent.

And yet, the typical HR department still spends 60% of their time on transactional HR.*

Why is that? It's because most human capital management technology (HCM) isn't built for leaders. In fact, much of it is little more than a social platform for employees. Paycor is different. For 30 years, we've been listening to and partnering with HR and Finance leaders, so we know what they need: **HCM technology that saves time, powerful analytics that give them a deeper understanding of their business and expert advice to help them see around corners.**

Paycor builds HR software for leaders who want to get out of the weeds and make a difference.

Choosing HCM technology is one of the most important decisions you'll make.
In this guide, we'll show you how to make the right decision for your company.

*McKinsey, 2017

Do you need an HCM solution?

And if you have one, is it providing real value?

IT ALL DEPENDS ON HOW YOU WANT TO SPEND YOUR TIME.

Time is one of your company's most important strategic assets. Think about it: what you spend your time on, day in and day out, will in large part determine the future success of your organization.

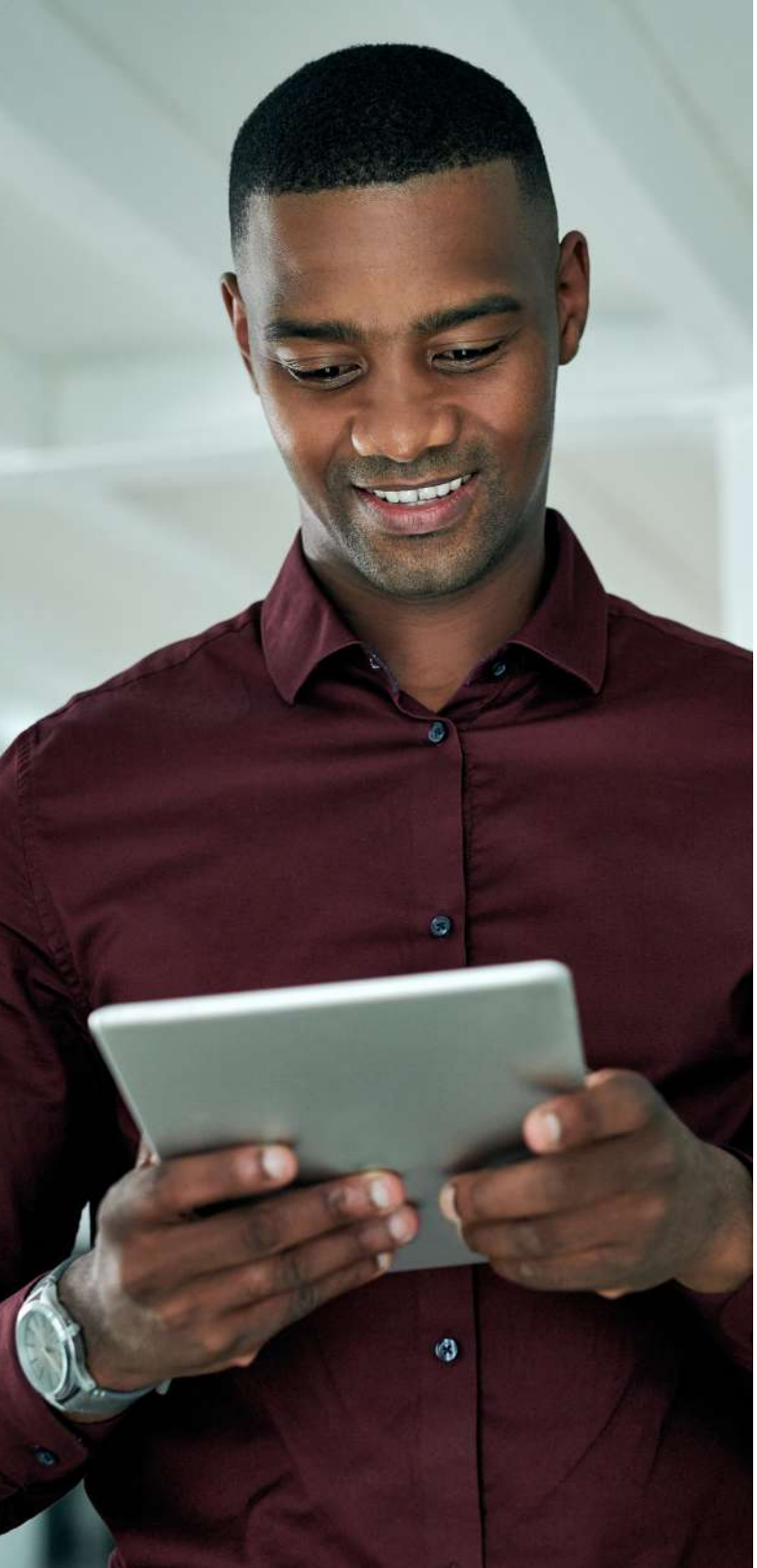
Left unaided by the right technology, or perhaps even worse, left to battle with generic, one-size-fits-all software, you'll be mired in administrative tasks. If that doesn't seem like a problem now, it will soon enough, because HR to-do lists have a way of growing.

When you're considering investing in HCM technology or upgrading to a new platform, ask yourself… *Where do you want to spend your time?*

ADMIN HR	BIG PICTURE
Recruits by project management: Collects paper resumes, scans and shares with hiring managers, logs applicant data into spreadsheets, etc.	**Recruits by data analysis:** Analyzes data *(e.g., referral source and time to hire)* to design a candidate experience that attracts more qualified talent.
Manages employee profiles: Keys new hire data into payroll, walks the hall to find employees whose forms are illegible.	**Develops, trains, grows employees:** Researches and implements employee development programs like onboarding and continuous learning.
Gets lost in the weeds: From open enrollment to compliance, is constantly trying to stay current, manage the details and answer a barrage of employee questions.	**Thinks big picture:** Finds time to work with other departments to solve big problems *(e.g., works with Finance to evaluate and optimize labor costs.)*

To make the leap from admin HR to looking at the big picture, you need a partner.

It's time to begin your search.



It's easy to get lost in features and functions. Don't.

THE 3 MOST IMPORTANT THINGS TO LOOK FOR IN AN HR & PAYROLL PROVIDER

1 RIGHT TECHNOLOGY + EXPERTISE

**Did you know 70% of HR implementations are considered failures?*
Why? For two reasons.**

First, most HR and Payroll technology is generic as if your business is exactly the same as every other. Take payroll. To confidently pay employees, you need a solution that can handle the complexities of your local tax environment and multiple fed IDs. You need proactive alerts to keep you current with payroll tax laws. **You need a platform tailored to your business.**

Second, many platforms are designed to be fun for employees to use, not to help business leaders solve problems. Some HR tech providers talk about their technology as if it were a social platform for employees. They even offer dashboards that show you how often your employees login. Do you really want to pay for that? **To lead your business, you need technology to help you solve real problems, like identifying and addressing pay equity disparities, predicting turnover and controlling labor costs.**

**Katherine Jones of Mercer quoted in "How to Meet Challenges When Deploying New HR Technology", Aliah Wright, SHRM, October 14, 2016*

2 COMPLIANCE

Your HCM provider must provide you with what you need to stay compliant with IRS guidance, the Department of Labor, the Equal Employment Opportunity Commission, the Affordable Care Act and other federal and state requirements.

Your provider should also be able to help reduce your risk of an audit and give you peace of mind in case one does happen.

What if an auditor shows up, and you need to immediately access time and attendance data for your employees? If data is stored in multiple spreadsheets and file folders—or worse, not tracked or stored at all—you could be in a difficult spot. **Your HCM solution should help you be prepared and empowered to handle any auditing situation that comes your way.**

3 USABILITY

Beware the flashy demo. Many HCM vendors offer solutions with a compelling front door, but step inside and you'll find the system is cobbled together, unfriendly or even disjointed. **Pro Tip: if they skip through payroll, it's a red flag.**

Look for an HCM provider that has a distinct point of view on the design of their product. For example, "informed design" is an approach to building user interfaces based on close observations of how real people interact with the platform. **Typically, the more users can influence the design of a product, the better it will be.**

The best HCM technology evolves in a continuous feedback loop with the people who are using it to get work done.

With these three key elements in mind, begin to *craft your questions.*

Ask Tough Questions.

SUPPORT

You're looking for a true partner, not just a vendor.

- ☐ What experience do you have working with companies my size?
- ☐ What kind of ongoing support will I receive? Do you offer responsive, personalized care?
- ☐ When I call support, will you know who I am, my company's history with you and our most recent inquiry? And then route me to the right person or resource?
- ☐ Can you review the implementation process with me? What's the time line? Who exactly is involved?

Avoid generic, one-size-fits-all "solutions." You need a partner who can handle complexity.

- ☐ As part of our demo, can you run through a payroll and show one-time changes?
- ☐ Do you have multiple rates of pay, bonuses or shift differentials that would create a need for blended overtime calculations?
- ☐ How does service assist with local taxes?
- ☐ Can your support team or system handle employees who work in multiple tax jurisdictions?
- ☐ Can you help facilitate the transfer of information between my organization and our healthcare and/or 401(k) brokers?

You need a long-term partner who can grow with your organization.

- ☐ How much of your company's revenue is re-invested into R&D? *(The best HCM tech providers invest at least 12-14% back into their technology.)**
- ☐ How has your platform changed over the years based on user comments and suggestions?
- ☐ How do you keep my HCM technology up-to-date? How often is the technology updated?

Gartner's Strategic Roadmap, 2016-2018

COMPLIANCE

You need a partner to help you adapt and stay ahead of what's next, so your team can act quickly as the regulation environment evolves.

- ☐ How does your system handle compliance regulation updates or tax rate changes?
- ☐ Do you have a support team that proactively monitors compliance changes and updates customers when regulations go into effect?
- ☐ Do you have a support team that helps with tax notices from the IRS, state and local agencies?

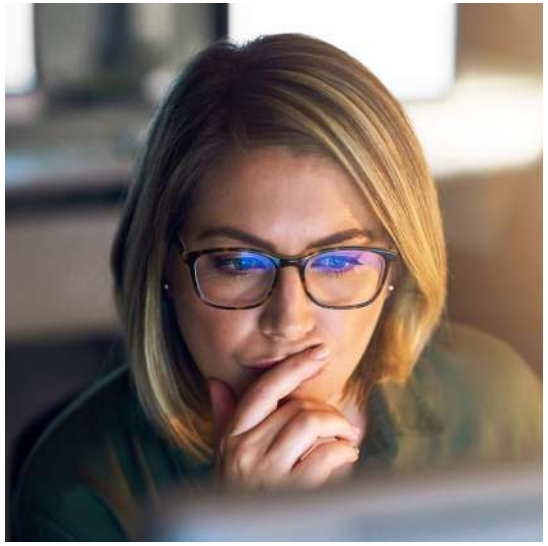
USABILITY

All the HCM vendors you talk to will say their system is easy to use. To make sure that's true, you need to lift the hood and see for yourself.

- ☐ Login screens and dashboards are important, but can you show me the information behind those screens, since that's where I'll be spending most of my time?
- ☐ How many usernames and passwords does an admin/manager need to use the system?
- ☐ Can I access all employee data from a single employee record or do I need to switch between products *(time, payroll, benefits, etc.)*?
- ☐ How long does it take to perform basic functions, like payroll entry or time?
- ☐ Can employees clock-in and clock-out as soon as they are hired? *(Note: If not, that is a telltale sign the systems are disjointed, not truly unified.)*
- ☐ Can I easily make changes to the system, like tax changes, GL changes, earnings, without contacting my HCM provider or sending them a spreadsheet?

Take a closer look at reporting.

- ☐ Can you create a custom report for me on the fly as part of the demo?
- ☐ What happens if you want to run a report that includes HR and payroll data on the same report?
- ☐ Do you provide truly unified reporting, or do you rely on a third party to deliver that functionality?
- ☐ Do you offer true analytics (not just reporting) that can give me actionable insights into things like turnover, headcount and pay equity?
- ☐ Does your analytics tool visualize complex data into clear, direct answers to business-critical issues (like competitive benchmarking)?



You've asked the tough questions,
now it's time to assess the HCM platform itself.

USE THIS CHECKLIST TO EVALUATE HCM & PAYROLL PROVIDERS.

SECURITY + SYSTEM	WHY IT'S IMPORTANT
☐ MFA: multi-factor authentication similar to Google and bank security	Protect highly sensitive employee information with an extra level of security; MFA should be a minimum requirement.
☐ Maintains employee security (*e.g., not asking for social security [SSN] on log-in*)	It's not secure to have employees use almost half of their SSN to log-in. *(Some systems still require this.)*
☐ Data security at rest	It's not enough for data to be secure only when the user is logged in. Data has to be equally secure *(encrypted)* when the user is logged off.
☐ Single Sign-On (*one username and password for all access*)	The system has to be easy to use. Your people need one username and password, regardless of title *(managers, HR, etc.)*.
☐ Proactive security	You want both software and a team of experts to continually search for irregularities in your accounts.

IMPLEMENTATION MODEL	WHY IT'S IMPORTANT
☐ Implementation specialists focused on quality, training and adoption to create confident users	Understand who will be assisting you and how that process will work. If your sales rep is also leading implementation, they may be more focused on selling than on success.
☐ Implementation schedule and time frame	It's important to understand the implementation timeline from sign to start. Will everything go live at once?
☐ Implementation expectations	Be sure to understand what role you will play in implementation *(e.g., what information/data you will need to provide)*.
☐ Implementation fee schedule	Allows you to understand the full cost of starting; upfront vs. total for go live.
☐ Have policies and procedures been reviewed in advance?	You don't want to be surprised during implementation. Make sure you have a clear picture of what can be handled in the system and any potential workarounds.
☐ Send co-workers kudos and recognition	A simple and fun way to build company culture.

MOBILE REQUIREMENTS	WHY IT'S IMPORTANT
☐ Mobile app available in App Store and Google Play	Ease of use for employees.
☐ Fingerprint authorization for mobile	Ease of use and security.
☐ Ability for Spanish translation	Ensure you meet needs of employee population where they are.
☐ GPS locator	If needed for remote/field employees.
☐ Clock In/Out	Upgrade your timecard to a more modern method. It's no longer a nice to have; your employees expect it.
☐ PTO requests	Employees expect it to be easy to request time off.
☐ Ability to access benefits information	Great if you or an employee forgets an insurance card.

RECRUITING	WHY IT'S IMPORTANT
☐ Ability for candidates to apply without having to log-in	Paycor studies reveal that you'll lose about 50% of applicants if an online application takes more than 10 minutes to complete.
☐ Modern, branded careers pages	The job application is a critical first impression. SHRM says an application that takes less than 5 minutes to complete increases conversion by 365%.
☐ Mobile-friendly application process	Multiple studies confirm that 90% of job seekers use their mobile device to initiate a job search.
☐ Resume parsing	To avoid re-keying info, you'll want an ATS that automatically fills in fields.
☐ Ability to have multiple applications, including Spanish applications	The easier and friendlier the experience, the better impression your company will make.
☐ Candidate texting to strengthen your talent pipeline and reconnect with candidates	Save time and improve efficiencies by communicating with prospects instantly.
☐ Quickly and easily respond to candidates and keep record of communications; automatically log comments	Empowers hiring managers to communicate and make decisions.
☐ Post jobs to multiple websites like LinkedIn with just a click; provide option to purchase advertised positions at a reduced price	The more streamlined and cost efficient, the better. Eliminate the need to post positions to individual sites.
☐ Ability to find candidates using advanced search without having to purchase additional modules	With company growth, you'll want to be able to search your applicant database by information on applications and resumes, including a radius *(distance)* search.
☐ Ability to create offer letters directly from the system to send out for electronic signature *(with the ability to also send PDFs)*	You don't want to exit the system and interrupt your process to write offer letters or other routine communications.
☐ Analytics *(time to hire, referral sources, candidate dispositions)* available on a dashboard	Enables you to quickly and easily generate reports so you can get a bird's eye view of your recruiting process and pipeline.

ONBOARDING	WHY IT'S IMPORTANT
☐ Information flows from Recruiting to Onboarding without Excel	You don't want the candidate to have to re-enter information.
☐ Ability to start onboarding without using ATS	To handle different hiring circumstances, you need a flexible system.
☐ I-9, W-4 electronically completed and signed	Allows for a completely paperless onboarding.
☐ WOTC (*tax credit*) forms completed electronically as part of onboarding	Identify tax credits that can affect your business's bottom line.
☐ Ability to electronically sign documents (*automatically populate signature and other pre-set information*)	Think about all the documents involved in the onboarding process. Anything you can do to eliminate manual steps is a big win.
☐ Compatible with remote work	You'll want a system that can handle setting up remote workers.

BENEFITS	WHY IT'S IMPORTANT
☐ Online, user-friendly open enrollment with Open Enrollment Wizard	Drive efficiency, manage all benefits election info in one solution, streamline OE event for administrator.
☐ Automated administrative tasks and the ability to connect directly to your carriers	Take the manual work out of managing benefits through online access, workflows and direct connections to your benefits providers.
☐ Benefits access through mobile app	Employees can shop and enroll on mobile app.
☐ Benchmarking & Analytics	Compare how you stack up against competition and get insights on participation, cost and open enrollment status.
☐ Track FMLA eligibility in the system	Reduces dependence on manual tracking and cumbersome spreadsheets.

HR	WHY IT'S IMPORTANT
☐ Unified system	You need a system that lets you enter data once and then makes it available everywhere vs. separating the HR module from the rest of the solution.
☐ Ability to store employee files electronically and print or download files as needed	You want a solution that works with you, not against you, and makes workflows easier.
☐ Employee Self Service (*ESS*)	Allows the employee to log-in and make changes.

TIME	WHY IT'S IMPORTANT
☐ Multiple clock-in methods available *(mobile, computer, physical clocks)*	Meet employees where they are while still maintaining control and compliance.
☐ Quick view manager/admin dashboard to see current status and items that require action	Without a quick view, supervisors have to search for time card errors manually or by running reports.
☐ Ability to handle PTO policy	You want a system that can handle the specifics of your workplace environment.

SCHEDULING	WHY IT'S IMPORTANT
☐ Manage your workforce more efficiently and consistently	Manually keeping track of employee schedules is time-consuming and risky. One small error could impact coverage and hurt productivity.
☐ Maximize productivity	Allow employees and managers to access scheduling information anytime, anywhere.
☐ Reduce labor costs	Maximize profitability and reduce overspending by comparing your labor costs in real-time.
☐ Automate the process	Enhance scheduling visibility and reduce frustrating manual processes with a solution that's intuitive and mobile-friendly.
☐ Increase engagement	Create greater accountability across your workforce by empowering employees to take control over their schedules.

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PAYROLL	WHY IT'S IMPORTANT
☐ Payroll education and know-how	Many providers will gloss over this and say that "payroll is payroll"; however, your payroll is unique. Make sure the system can handle it.
☐ Ability to work on payruns in advance	You want to ensure your payroll isn't set up as an older "batch" system that requires you to create a batch each time you need to process. That's simply too time consuming.
☐ Blended overtime	Your payroll solution must be able to handle complexity, or else you're going to be stuck handling it yourself. For example, can the system handle a scenario in which an employee has multiple rates of pay or shift differentials, in addition to overtime?
☐ Full pre-post journal available prior to processing	Gives you the ability to see exactly what every single check will look like prior to submitting payroll.
☐ Control to add earnings, deductions, taxes and change system parameters without having to call support	Gives you control of the system to make changes as needed—with proper security—so you don't have to wait for support.

ANALYTICS	WHY IT'S IMPORTANT
☐ Automatic updates & real-time insights	All data is refreshed in real-time as new info is added to the HCM platform.
☐ Provides visual, interactive charts	Spend less time searching for data and insights and more time acting on available information.
☐ Ability to drill down into charts	Drill down to see trends and take action; slice data by manager, location, department, etc., to get truly actionable insights.
☐ Offers competitive benchmarking	See how you stack up against the competition using EEOC government data.

REPORTING	WHY IT'S IMPORTANT
☐ Library of pre-built standard reports	Access to templates to build reports, like labor distribution and employee changes.
☐ Customize a report	Many providers will gloss over this, but you want to make sure you can modify an existing report and edit it without having to start from scratch.
☐ Ability to report across years	Not all reports run payroll to payroll or from Jan 1 to Dec 31; some systems have difficulty running a report across calendar years.
☐ Create filters and formulas	Need to be able to filter and add formulas to avoid having to do extra work later in Excel.
☐ Share & schedule reports	Reports can be easily shared, and shares can be scheduled to go out at pre-set times.

TALENT DEVELOPMENT	WHY IT'S IMPORTANT
☐ Increased opportunities for managers and employees to connect	Continuous development and coaching give employees a sense of clarity, purpose and momentum.
☐ Feedback loop among peers, teams and the entire organization	When feedback and coaching is holistic—when everyone's participating—it becomes part of the culture. There's no better way to get everyone on the same page and working together to achieve shared goals.
☐ Maintain a record of OKRs and goals	A visual representation of your company's objectives and key results keeps everyone focused and drives clarity.
☐ Pull historical data, including feedback, for performance reviews	Performance reviews can be far more objective, actionable, and much less biased, when you pull in data from multiple sources.

LEARNING MANAGEMENT	WHY IT'S IMPORTANT
☐ Custom course creation, individualized learning paths	Organizations need tailored training for new employees as well as ongoing training for the current workforce.
☐ Accessible training anytime, anywhere, with easy tracking, so managers can keep tabs on progress.	Employees who are out in the field, or on mobile devices, can learn at their own pace.
☐ Detailed reports for compliance and auditing	Who has time for tracking compliance manually? When you automate and streamline, you'll get hours back in your week.
☐ A library of courses	Companies that make learning part of their culture are 30% more likely to be market leaders.

COMPENSATION PLANNING	WHY IT'S IMPORTANT
☐ Customizable for your unique needs	Automated workflows and collaboration tools enhance the user experience.
☐ Mitigate risk and ensure fair pay practices	Analyzing compensation across department, location, job title, etc., ensures compliance and pay equity.
☐ Intuitive support tools	The ability to create "what if" scenarios and see calculations before committing to actual figures.

CAREER MANAGEMENT	WHY IT'S IMPORTANT
☐ Remove complexity from succession planning	An employee with a career path and exciting goals is an engaged employee. Plus, succession planning is a key to long-term business growth.
☐ Clearly define role responsibilities	With set expectations, employees can receive feedback that's specific to their development plan.
☐ Easily identify role gaps and risks	Investing in critical job skills becomes a motivator for employees and improves retention.

SURVEYS/FEEDBACK	WHY IT'S IMPORTANT
☐ Spontaneous employee engagement evaluation	Keep a pulse on what employees are thinking to catch issues early before they negatively impact performance.
☐ Insights from employee feedback	Listen to your employees and then act on their suggestions. There's no better way to build a high-trust organization.
☐ Ability to identify unmet employee needs	Take things to the next level by anticipating employee needs before they become problems.

Paycor creates HR software for *leaders* who want to make a *difference.*

Paycor knows how important **HR and Finance leaders** are to their organizations.

DIFFERENCE MAKERS

You want to make a difference in the lives of your employees and to your company's bottom line. You're passionate about learning. You want to make decisions informed by deep knowledge of your business. Your efforts have the biggest impact on employee engagement. And if there's a power user of the HCM platform your whole company depends on, it's you.

Paycor has been listening to and partnering with leaders for 30 years. We know what you need.

First, Get Out of the Weeds

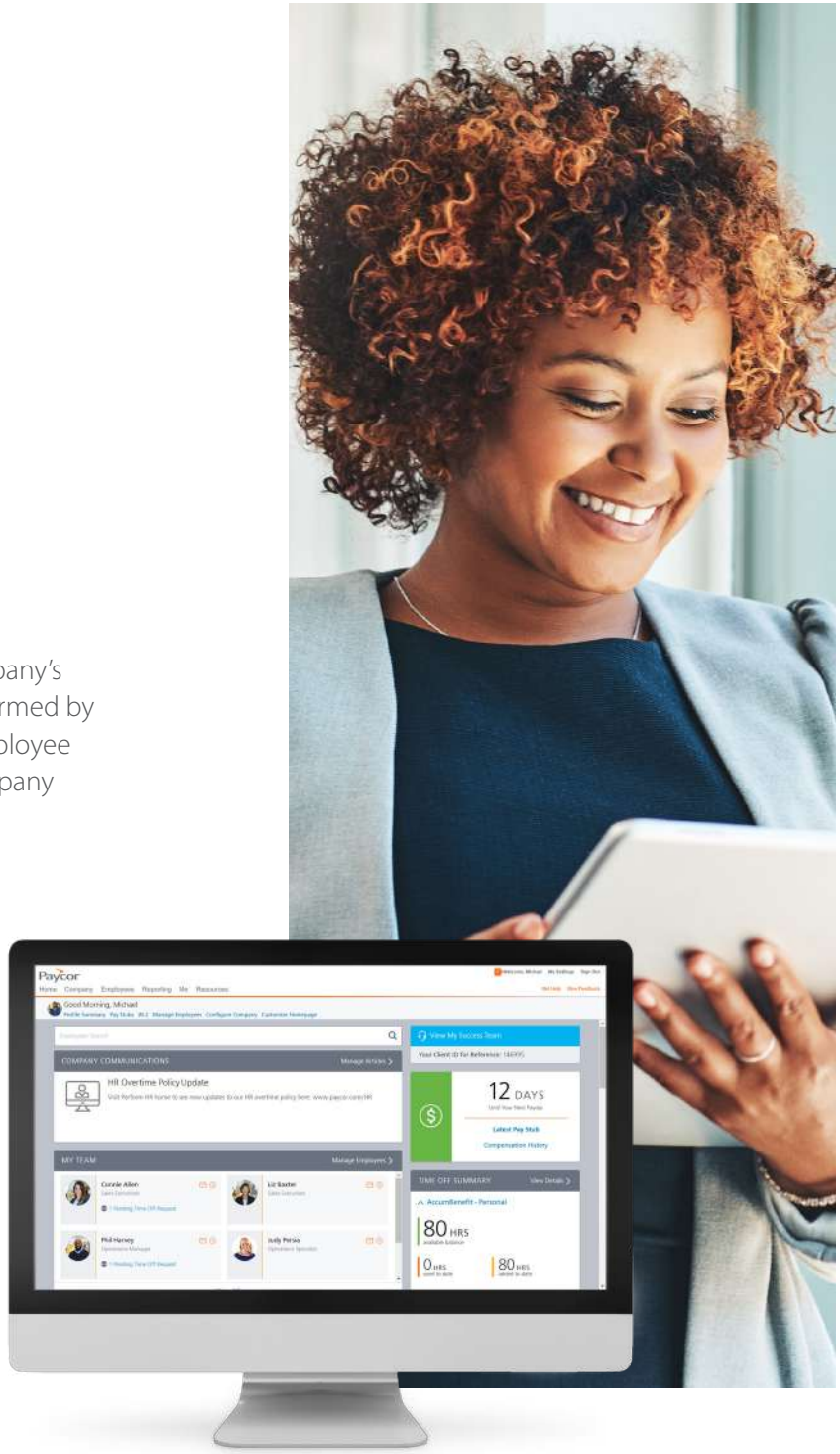
Our core HR solution is seamless and helps you get work done.

Next, Solve Problems

Think of Paycor's HCM platform as a concierge—it helps you solve problems and achieve your goals.

Now, Grow Your Business

To scale, your platform must adapt to change in your industry and in the marketplace. Paycor's HCM platform is constantly enhanced, as we're always listening to and acting on feedback from more than two million users.



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Paycor

Experience the Paycor Difference

Recruiting · HR · Learning · Time · Payroll · Analytics

To see how we can help, visit us at:

PAYCOR.COM/HCM-SOFTWARE ›

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