Paycor

The Buyer's Guide

To HCM + Payroll Technology

Find Out About the 3 Most Important Things to Look For

The typical HR department still spends

60%

of their time on transactional HR.

*McKinsey, 2017

Selecting an HCM & 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? After all, there's no shortage of HCM technology. Why isn't it working? It's not working because HCM technology is not enough. Technology alone fails to address your challenges. **To achieve your goals now and in the future, you need more than just technology: you need technology PLUS expertise.**

That's why choosing an HCM technology provider is so important. **Your HCM platform is the foundation of your business, and it needs to be as flexible and as forward-thinking as you are.**

In this guide, we'll show you how to make the best decision for your company.

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1

Assessing Your Needs

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 the off-the-shelf technology, 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

Recruits by project management:
Collects paper resumes, scans and shares with hiring managers, logs applicant data into spreadsheets, etc

Manages employee profiles:
Keys new hire data into payroll, walks the hall to find employees whose forms are illegible.

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.

STRATEGIC HR

Recruits by data analysis:
Analyzes data *(e.g., referral source and time to hire)* to design a candidate experience that attracts more qualified talent.

Develops, trains, grows employees:
Researches and implements employee development programs like onboarding and continuous learning.

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 to strategic HR, you need a partner.

It's time to begin your search.

2

Beginning Your Search

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

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

1 RIGHT TECHNOLOGY + EXPERTISE

Did you know that 70% of HR implementations are considered failures?* Why? It's because technology alone fails to address your challenges. And yet, it happens all the time: environments are set up with off-the-shelf technology and then left with minimal support. **To elevate the unique value and talents of your people, you need technology PLUS expertise.**

For example, you don't just need payroll, you need payroll capable of handling the complexities of your local tax environment and multiple fed IDs. You don't just need timekeeping and benefits, you need a time solution that will fit the needs of your employees and benefits which help attract and retain top talent. **You need a platform tailored to your business.**

You also need ongoing support. Not impersonal, 1-800 number call center support; you need a dedicated team of experts who understand your business. **You need technology PLUS expertise, at every level and at every stage, to keep your platform modern and adaptable to your industry and the marketplace.**

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.

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

*Gartner's Strategic Roadmap, 2016-2018

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? Are your specialists dedicated to my business? How many other clients do they support?
- ☐ When I call for support, will you recognize me and route me to a dedicated team?
- ☐ Can you review the implementation process with me? What's the time line? Who exactly is involved?

Avoid generic, off-the-shelf "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?

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 clients 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?

3

Finding the Right Fit

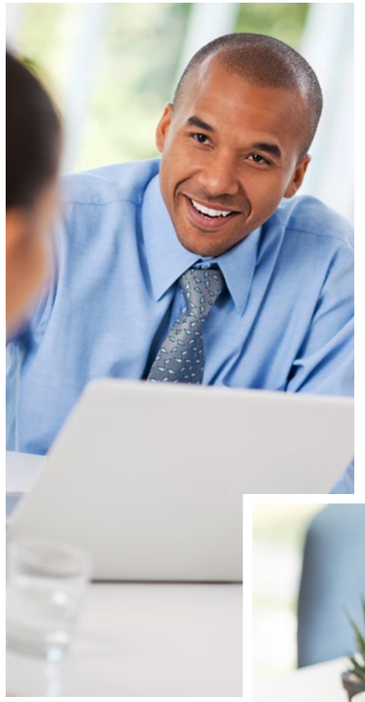
You've asked the tough questions, now it's time to assess the HCM platform itself.

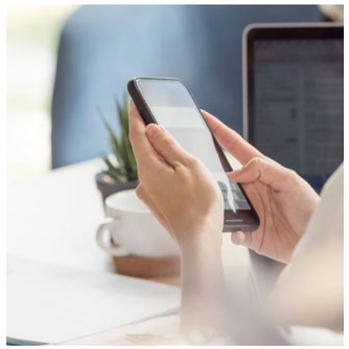
Use This Checklist to Evaluate HCM & Payroll Providers.

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
☐ Dedicated implementation team with tenured Project Manager	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.

MOBILE REQUIREMENTS	WHY IT'S IMPORTANT
☐ Native Mobile app available in App Store and Google Play	Ease of use for employees.
☐ Finger print authorization for mobile	Ease of use and security.
☐ Ability to translate mobile app to Spanish	Ensure you meet needs of employee population where they are.
☐ GPS Locater	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.





ATS REQUIREMENTS	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.
☐ Modern, branded careers pages	The job application is a critical first impression. SHRM found an application that takes <5 min to complete increases application 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.
☐ Ability to see calendars, schedule interviews and send invites directly from ATS	Streamlines the process and saves you time.
☐ 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	As your company grows, 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 in order 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 ATS 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 completed and electronically 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.

HR & BENEFITS	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.
☐ Configurable workflows with multiple levels of approval for employee changes	Maintains control of the system without being too rigid; enables employees to make changes.
☐ Track FMLA eligibility in the system	Reduces dependence on manual tracking and cumbersome spreadsheets.

TIME + ATTENDANCE	WHY IT'S IMPORTANT
☐ Multiple clock-in methods available *(computer, kiosk, 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.

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.

REPORTING & ANALYTICS	WHY IT'S IMPORTANT
☐ Customize an existing report	So you can modify an existing report and tweak it versus having to start from scratch.
☐ Custom report—did the provider show how to build one from scratch as part of the demo?	Many providers will gloss over this, and clients find out later the process to build a report is much more difficult than what was talked about on the demo.
☐ 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.
☐ Sharing of reports	Reporting isn't very helpful unless it can be easily shared.
☐ Scheduling reports	Create a report one time and then have it automatically sent to those who need it on a scheduled basis.
☐ Library of pre-built standard reports	Access to templates to build important reports, like labor distribution, employee changes or even birthday and anniversary lists.

WORKFORCE INSIGHTS	WHY IT'S IMPORTANT
☐ Cross-functional information available—time, HR and payroll	Some systems allow you to see charts for a part of the system; however, true insights come from slicing data across all aspects of the system.
☐ 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	To see specific trends and data to take action versus just seeing a chart.

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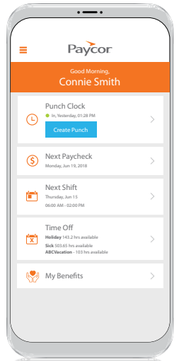
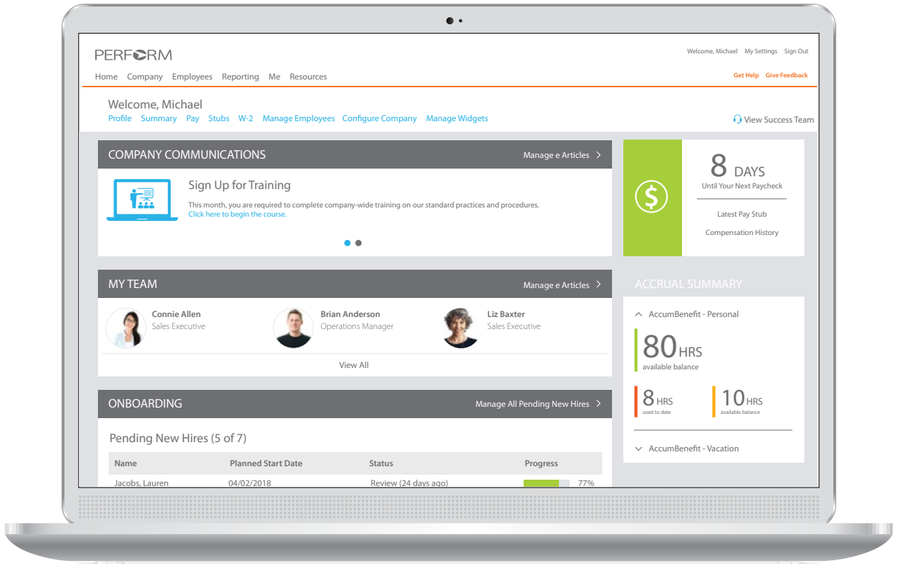
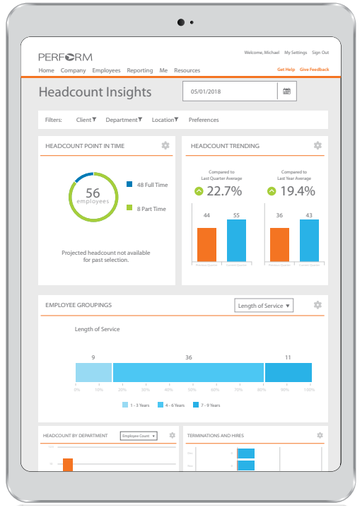
The Paycor Difference

The most important thing you can ask a potential partner is: **What makes you different?**

Here's how we answer that question.







DEDICATED TO CLIENT SUCCESS SINCE 1990

Founder and CEO Bob Coughlin saw an opportunity to provide a new level of personal, proactive customer support and expertise to medium and small organizations in need of HCM & payroll technology. **Today, we partner with more than 23,000 companies in all 50 states, and that number keeps growing** because we've never lost sight of Bob's original vision.

UNIFIED PLATFORM

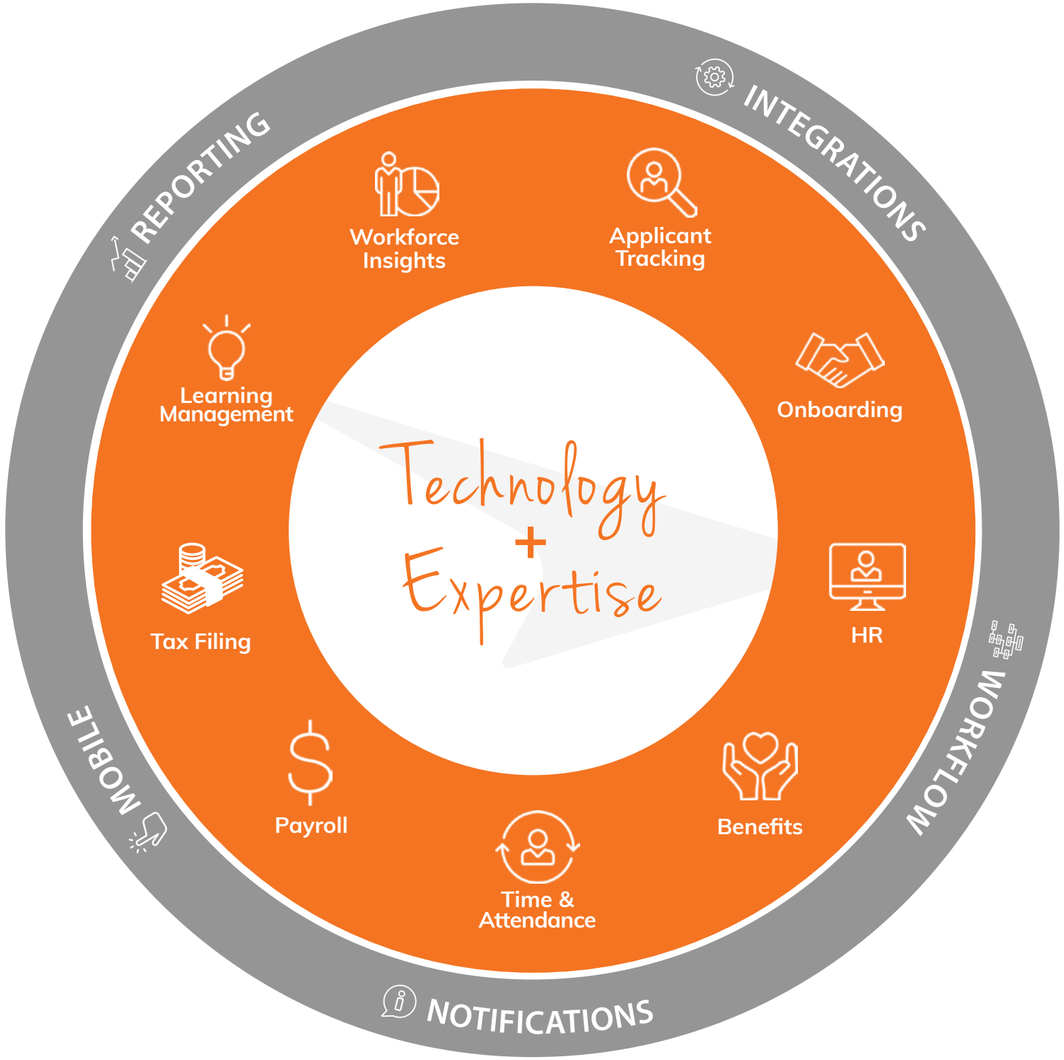
Our HCM solution modernizes practically every aspect of people management, from the way organizations recruit, onboard and develop people, to the way they pay them, retain them and build a company culture. **With one single source of truth for all employee data, you'll never have to switch platforms**, log-in to multiple systems, re-key information or open numerous spreadsheets.

EXPERT PARTNERSHIP

Paycor brings ongoing, proactive expertise to every aspect of the client experience, starting with a consultative sales approach through implementation, all the way to every day support and thought leadership. **We offer a dedicated team support model, in which a group of experts understand your unique business and industry.** Nothing about our platform or our service is "off-the-shelf," because we fundamentally don't believe in a one-size-fits-all approach.

INFORMED DESIGN

Listening to our clients is our design philosophy; we call it "informed design." **Two-thirds of our product features were influenced or inspired by user feedback**. We also automatically update our platform quarterly, so every client has access to the latest advancements.



Experience the Paycor Difference

Recruiting · HR · Time · Payroll · Learning · Analytics

Paycor