

HR Technology Strategy and Business Case for Food Additive Manufacturer

The Client

This HRchitect client is a manufacturer of food additives, nutrition powders, and spice blends that uses their proprietary chemicals to flavor and enhance the nutritional value of its food manufacturing partners' products. Although this client is headquartered in New York, its 1400+ employees work at sales offices and manufacturing plants spread throughout the United States and the United Kingdom. This client organization has a lean corporate structure and is fast-growing, with growth fueled primarily by acquisitions.

Existing HR Technology Landscape

In preparation for its impending exponential growth, the client's HR leadership wanted to make data-driven decisions regarding its people strategies. However, they were not able to do so with their current network of HCM technology systems. The client was using ADP for Payroll and Time & Attendance, a point solution for Talent Acquisition and Performance Management, a second point solution for Compensation Management and merit increases, and a third point solution for Learning Management.

The client was lacking a true HRIS system. When the HR organization required data to present to executive leadership, a group of data-driven chemical engineers, HR cobbled together these reports by pulling data down from multiple systems and adding across spreadsheets manually. This report generation method was ultimately effective; however, it certainly was not efficient.

The Project

The client sought out HRchitect for an HCM technology strategy and help to build the business case for executive leadership approval that would allow HR to deploy the selected strategy. Embarking on this journey with a trusted advisor would enable the client to answer key HCM technology questions such as:

- What does HR need to do with HCM technology to meet our objectives in line with our organization's larger strategic goals?
- Do we rip and replace all our existing systems? If not, what do we keep, and what types of systems do we need to add?
- What would the impact of the proposed system changes be on our organization?



All HR functions and systems except for Learning Management were in scope of review for this project. The LMS that the client was using is highly specialized for their industry and is highly effective. The contract terms were in line with industry benchmarks, so there was no need to change that standalone system.

Consultants from HRchitect kicked off the project with the client-side project team, including the Head of Talent and Corporate Systems & Data, the VP of HR, and the Controller.

HRchitect's team designed and launched a series of surveys to uncover and prioritize the client's objectives related to HR technology. Surveys were administered to a wide range of stakeholders, including hiring managers for the plants and sales offices and business leaders across other functions. The surveys examined current Talent Acquisition processes, what types of services business leaders and hiring managers wanted from HR, and how HR could strategically support them. Analyzing the survey response data would allow HRchitect's team to devise project objectives and a well-rounded HCM technology strategy that would benefit everyone within the client organization.

The main objectives defined based on the outcome of the surveys were:

- Shift the organization's HCM technology systems to as close to a single source of truth as possible, with integrated systems and accurate data that would allow for easy reporting
- Ensure GDPR compliance for existing UK employees, position the organization for growth internationally, and equip the HR department with the right technology to support that growth strategy.
- Better align the client's HR system investments to be closer to the benchmark spend for clients of a similar profile (size and types of systems in use). The client was spending \$100 more per employee per month on HCM systems than is typical for clients of a similar profile.

HRchitect's consultants developed five different HCM technology strategy options and presented those strategies to the client-side project team. The five strategy options examined the effectiveness of current systems, utilization of the existing systems, keeping highly effective modules as standalone systems and the impact of doing so, and the impact of consolidating different combinations of systems.

Each scenario was examined by the client-side project team relative to the defined project objectives until one of the strategies was identified as the best fit. Also incorporated in each scenario review was the identification of a shortlist of vendors that would meet the requirements of each specific strategy and ballpark pricing for each of those solutions.



The HCM technology strategy that the client chose involved keeping ADP for payroll and time & attendance and finding a GDPR compliant HCM suite that would encompass Core HR, Talent Acquisition, Performance Management, and Compensation Management. This strategy would consolidate their HCM technology from four standalone systems to three systems, completely integrated, resulting in a single source of truth for the client.

The client considered replacing the existing payroll/time & attendance system so they could find a true HCM suite and leverage that suite for everything except Learning Management. However, their current payroll/time & attendance system was not the source of the client's pain points, costs are in line with benchmarks, and has existing integrations with most other HCM technology vendors. The cost of replacing payroll and time & attendance along with the modules that were not meeting the client's needs was a dollar figure that made the client uncomfortable. This influenced the client's decision to elect the aforementioned HCM technology strategy.

After that, HRchitect presented a shortlist of four vendors that would be appropriate for the client to look at, given the HCM technology strategy that they selected. Approximate cost for software and target implementation prices were outlined for each vendor. All of the recommended vendors are GDPR compliant, do not require the customer to purchase their payroll module, and integrate with the client's current payroll and time & attendance system. In the future, if the client selects one of the recommended vendors, cost savings would be between \$30,000 - \$130,000 per year. Regardless of which recommended system the client chooses in the future, new systems would have a positive impact on HR and hiring manager's productivity. It is estimated that with a move to a new system, HR will save 2,600 hours per year, more than one FTE equivalent, and hiring managers and supervisors would save about 1,000 hours per year.

The next step was for HRchitect to build the business case and related presentations to allow the client-side project team to present this strategy and business case to executive leadership. Obtaining executive leadership approval would allow the HR team to proceed with the next step in their HCM technology journey, issuing an RFP to the shortlist of recommended vendors.

The business case presented to executive leadership was built on three key levers: productivity, risk, and cost. The strong partnership the HRchitect team develops with clients was essential to the efficiency and effectiveness in building the business case. Our consultants take the time to thoroughly understand our client's business, organizational culture, internal communication methods, and team dynamic of the client-side project team and the executive team. This enables us to mirror our client's internal communication methods and is a unique strength of the HRchitect team. This ensures that our clients never need to re-work, re-word, or re-do any of the deliverables we create for them to obtain internal approval or adoption.



With the switch to one of the recommended systems, productivity would increase, saving the HR team, hiring managers, and supervisors 3,600 hours per year collectively. The risk would be significantly diminished with this HCM technology strategy because once the strategy is executed, all systems will be GDPR compliant. Cost decreases in the long run since the client will have fewer one-off contracts, which allows them to negotiate better payment terms, saving money.

Part of the business case was aligning the spending, as well as consolidating systems, so there were fewer systems to manage, freeing up some of the cost associated with the time employees were currently spending to manage current systems. The business case was approved by the client's executive leadership team, and the client will issue an RFP for their HCM suite in the next fiscal year.

In the meantime, HRchitect continues to work with this client in an advisory capacity, helping the client to renegotiate current contracts for terms more in line with other clients of their size, as well as ensuring that the HCM technology strategy continues to remain in focus while the organization prepares to issue the RFP.

