

Network of 200+ Surgical Centers Partners with HRchitect for HR Technology Strategy, Evaluation and Selection Amidst Changing Business Environment

The Client

This HRchitect client operates over 200 elective surgery centers across the United States. This client is owned by a major health insurance company and is currently that insurer's most profitable subsidiary. The client's workforce consists of over 9,300 hourly and salaried employees, largely doctors, nurses, and nurse practitioners. HRchitect initially engaged with this client in 2018 to find a replacement HR/Payroll system.

Existing HR Technology Landscape

The client was utilizing a legacy Ceridian system for HR and Payroll, Kronos' Workforce Central system for Time & Attendance, iCIMS for recruiting & onboarding, SuccessFactors as a standalone compensation tool, paper performance reviews, an in-house system for manager self-service and Alight for outsourced benefits management. The Ceridian HR/payroll system was slated to be sunset in January 2021.

The Project

In 2018, the client engaged with HRchitect for help with the evaluation and selection of their new system, including a full discovery process, HCM technology marketplace workshop, RFP creation and distribution, a summary report of vendor RFP responses, creation of demo scripts and demonstration management, and support during the due diligence process with their vendor of choice.

Although the primary driver of this project was to identify a replacement HR/Payroll solution, the client team recognized that HR technology strategic planning for the subsequent system evaluation and selection project presented an opportunity for the client to significantly improve HR operational efficiency by taking a holistic look at HR technology and processes.

HRchitect began this engagement with a project charter, collaboratively developed between the HRchitect team and the client team dedicated to this project. The client's project team included the organization's Payroll/HRIS Director and representatives from the HR business partner community, finance, and IT. The executive sponsor for this project was the head of HR for the client, who reports to the head of HR at the parent organization.

The comprehensive requirements gathering process re-affirmed that the primary objective for this project was a more efficient payroll model. The current payroll process in the Ceridian platform required five people three full days to complete. Clearly this was inefficient, and the process was riddled with workarounds.



The second priority for this project was to consolidate disparate systems, or if a best-of-breed approach was taken, to factor system integration in as a major decision driver. Third, because the nature of their business meant that the doctors, nurses, and nurse practitioners at the surgical centers were focused on treating patients and not sitting down at computers all day, mobile accessibility was a must.

After a decision drivers and requirements were identified in the discovery phase, HRchitect conducted an HR technology marketplace overview workshop. Out of that workshop, the client identified four vendors to invite to participate in the forthcoming RFP process. HRchitect created a demonstration script to allow a true apples to apples comparison of each system, and facilitated vendor demonstrations. Upon conclusion of the vendor demonstrations, the client chose to eliminate one of the four vendors. At this point, the evaluation and selection project was put on hold by the parent company.

The parent company was in the process of purchasing software from Oracle, and as a part of that deal, was considering if its subsidiaries, including this client, would be included in the scope of the Oracle deal. The alternative scenario would be that subsidiaries would not be included in that purchase and would be able to purchase and operate HR technology systems autonomously.

The project restarted at the end of November 2019 when the client informed HRchitect that the parent company decided not to incorporate its subsidiaries into the Oracle system. With the legacy Ceridian system slated to be retired in January 2021, now just a little over 2 short years away, the project restart came with an increased sense of urgency. After all, not only did the client need to evaluate and select a new system within this timeframe, they also needed to get contracts signed, and complete implementation so their employees could continue to be paid beyond January 2021.

To pick up the project, the HRchitect consultants conducted a review with the client's core project team, to ensure everyone was familiar with where the project was when it was paused. Additionally, HRchitect helped the client create a new project timeline, outlining key dates that needed to be hit to allow the client to hit their desired go-live date. HRchitect recommended demonstrations in early February 2020, due diligence in March/April 2020, contracts signed by the end of May 2020, and implementation started in June 2020 with a system go-live in January 2021.

After reviewing what business processes had changed at the client company during the time the project was paused, the HRchitect team moved forward with our Fast Path RFP process, consolidated what would normally be a 6 to 8 week discovery process into 2 weeks. This shaved critical weeks off of the project timeline, so the client could get to a decision faster and have a better chance of successfully staying on track to complete their system implementation before the old system was sunset.



Since the three vendors that were previously identified would still meet the client's requirements, HRchitect sent these vendors the RFP and expedited the RFP summary report delivery. The client chose to invite all three vendors to demonstrations.

Coming out of demonstrations, one vendor was immediately dismissed from the slate of viable vendor options. This vendor's off script demonstration combined with a lacking solution to the client's current payroll processes and the vendor's pushiness in selling the client pieces of their solution that the client wasn't interested in, did not impress the client.

Universally, the client team liked the culture of one of the remaining two vendors, Vendor A, and felt there was a great fit partnership-wise. This vendor's full-suite product with the mobile app accessibility that the client ranked as most important, ranked about equally with the second remaining vendor's (Vendor B) product functionality. The client then began to compare costs for the two remaining vendors. At first, Vendor B came in with a much more desirable price point for their solution. However, the client team felt that Vendor A would be a better culture fit, so they consulted HRchitect for help with due diligence to compare true all-in costs for Vendor B's solution versus Vendor A's.

The core questions in due diligence after follow up demos and references became "Are the Vendor B's numbers really that much lower, when implementation costs and the ongoing costs of ownership are factored in?" as well as "How flexible is Vendor A willing to be on pricing to be competitive with Vendor B?"

HRchitect's next step was to help the client negotiate the commercial terms of their licensing deal. Aware of the client's current HR technology landscape and related costs, as well as Vendor A and B's pricing, we recommended the client run a cost model that included shifting outsourced benefits management to their proposed package with Vendor A. This would save the client 40% of what they were spending on benefits management with Alight, as well as providing a more integrated experience overall. The cost savings that resulted from shifting benefits management to Vendor A's benefits solution made Vendor A more affordable than Vendor B's solution when looking holistically at the implementation costs and total cost of ownership.



Understanding both Vendor A and B's ability to integrate with other solution providers in the client's existing HR technology stack gave the client the confidence needed to make a final decision. The client selected Vendor A's solution, amidst the COVID-19 pandemic and a rapidly changing business environment.

During the due diligence period in March and April, another challenge presented itself – COVID-19. Not only did COVID-19 impact this project from the perspective that collaboration shifted to a remote format, it also impacted the client's budget. As the surgery centers this client operates are for elective surgeries, and elective procedures were put on hold during these critical months, the budget the client was approved to spend in 2020 on this project dropped drastically.

HRchitect had already helped the client negotiate the commercial terms of their contract, including pricing, with Vendor A. COVID-19's impact on the client's business meant that an additional hurdle would be introduced before contract signing, this time the negotiation centered around payment timelines. HRchitect's role in this aspect of negotiation was to help Vendor A understand what was going on with the client's business. These productive discussions resulted in an agreement on some nonstandard payment terms, in terms of payment timeline. Vendor A, in the true spirit of partnership, was willing to be flexible in the cash outlay that would be due in 2020 and 2021 and tying them to critical business milestones, so that the client was able to manage their cash flow. After commercial terms were agreed to, HRchitect's involvement shifted to managing the redlining process while the client's IT team approved the technical terms and their legal team reviewed the overall contract.

The Results

The client selected Vendor A for Core HR, Payroll, and Benefits Prime , Compensation , Performance and Succession Planning; along with Vendor A's benefits managed services, and also chose to upgrade to Kronos Workforce Dimensions for time & attendance. The client has signed contracts with their selected vendors. The phased implementation project, being led by Vendor A's services team, is underway and is on target for a January 2021 go-live for Core HR, Payroll and Benefits Prime. After a successful 2 year partnership, navigating never-before-seen business challenges such as COVID-19, this client has engaged with HRchitect for client-side project management and change management services to serve as advocates coaching their team through the implementation process, ensuring the highest potential for a successful project.

