One-third of companies surveyed in Mercer’s global 2016 Road to Digital HR Survey plan to implement new technology within the next three years. Cloud-based or SaaS (Software as a Service) applications are the most prevalent, especially for organizations with larger employee populations, those in a stage of expansion, or those with a broader geographical footprint.

Many organizations are moving beyond traditional Enterprise Resource Solution (ERP) products to more modern cloud-based HR platforms. These are known as Human Capital Management (HCM) systems. The most in-demand features include:

- Storage of all employee data on a single platform
- Improved data integrity and standardization
- Easy retrieval of workforce data for reporting
- Robust, future-focused analytics

Today organizations expect HCM solutions to help improve overall HR productivity and to enable HR to provide greater value to the business.

**TECHNOLOGY IMPLEMENTATION PLANS**

Where is your organization in the process of implementing an HCM?

- 34% Implemented in the last 5 years
- 45% Plan to implement new HCM in the next 1-3 years
- 21% No plans

Source: Mercer 2016 Road to Digital HR Survey

**KEY HCM TRENDS**

- **INCREASED USER ADOPTION**
  
  New cloud HCM solutions have a simple, user-friendly interface designed to make manager and employee self-service personalized and easy to learn.

- **BUSINESS INVOLVEMENT AND FLEXIBILITY**
  
  Self-service tools and dashboard/reporting options offer flexibility in data access and data analyses, bringing information directly to business leaders and managers without going through HR.

- **CLOSER PARTNERSHIPS WITH OTHER FUNCTIONS**
  
  HR is increasingly partnering with legal, cybersecurity, IT and risk/compliance functions to protect sensitive data, mitigate business risk and leverage key analytics to provide a holistic view to the business.

- **MOBILE AND REAL TIME**
  
  Talent apps, especially those on mobile devices, allow for convenient and immediate HR processing and data access anytime/anywhere by leaders, managers, employees and HR. Real-time data retrieval and reporting can help support data-driven business decision-making.

- **CONTINUOUS TECHNOLOGY UPDATES**
  
  Many HR technology providers release multiple updates to their solutions every year. This allows organizations to take advantage of the most recent functionality; however, it also requires testing to ensure optimization and effectiveness within the company environment and fixes to the solution.
MERCER’S SERVICE PROVIDER SELECTION PROCESS IS BASED ON FOUR KEY STEPS

1. **INITIATE THE PROJECT**
   - Project planning, scope and timeline
   - Assigning responsibilities
   - Engaging stakeholders
   - Gathering background information

2. **DETERMINE FUTURE-STATE REQUIREMENTS**
   - Understand the current state HR technology
   - Understand the HR technology landscape and research
   - Develop an HR technology strategy and roadmap
   - Determine the future-state business requirements

3. **EXECUTE THE SELECTION PROCESS**
   - Create an HR service provider short list
   - Develop and execute a request for proposal
   - Review and score all vendor responses

4. **EVALUATE AND SELECT**
   - Evaluate the vendor finalists
   - Facilitate vendor selection that best meets your needs

MERCER’S SERVICE PROVIDER SELECTION METHODOLOGY

Managing today’s talent pools in the face of change is critical and requires an HCM system that gives organizations the power to understand and act on their talent needs. Selecting and implementing a new HCM system, or augmenting an existing system, is fraught with challenges due to the sheer scope and magnitude of the undertaking as well as the shifting HR landscape. As the world’s leading HR consulting firm, Mercer has the right team and expertise to help ensure that your HR programs, processes and service-delivery model are fully aligned to the new system from the start — allowing you to unlock its full potential.

Mercer provides:

- Deep HR subject-matter expertise combined with HR technology and change implementation experience
- Proven track record in delivering large global HR transformation projects
- Seasoned, experienced team able to operate effectively virtually or onsite
- Access to global benchmarking data/information from Mercer and other published research
- Proprietary tool set including RFP-ready business requirements
- Trusted partnership that provides access to Mercer’s broader organization value and resources

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“Mercer has evolved its capabilities in HR transformation consulting into a holistic offering that combines HR strategy, operations, and technology services and solutions.”

“Mercer’s integrated approach reduces the complexity of HR transformation and ensures changes to HR programs are effectively communicated and adopted.”

ALM HR Transformation Report