

REINVENTING HUMAN RESOURCES

**Accenture Software
for Human Capital
Management**

By Heiko Mouhlen



THREE WAYS TO MANAGE THE WORKFORCE OF THE FUTURE

FINDING FLEXIBILITY

Developing the workforce of the future is one of business leaders' top priorities today. Without the right people with the right skills, organizations will find it hard to differentiate and compete—especially in a digital world. Accenture Strategy research found that 41 percent of C-suite executives believe that difficulty in attracting and retaining talent is the greatest risk they will face in the next 12 months.¹ To meet the changing demands of the HR role and adapt to the “new normal” created by digital disruption, HR leaders must prioritize reinventing the delivery of HR services.

HR departments are the backbone of effective talent management, yet their processes are often labor-intensive and fraught with regulations and risks. HR leaders should consider three core priorities to be better prepared to manage the workforce of the future: fully embracing digital technologies, proactively partnering to grow operational capabilities, and improving data migration, conversion and quality.

A leading manufacturer of industrial and automotive components has a global workforce with more than 21,000 employees in more than 33 countries. The company decided to move its HR operations to SAP SuccessFactors' cloud-based HR solution to support a range of processes, including recruiting, payroll and workforce analytics. The solution has helped with employee engagement. The client has seen improved online course performance because of the solution's learning management system, which tracks training and delivers content via employees' mobile devices. And with greater transparency in areas such as succession planning and compensation, employee satisfaction has increased.⁸

EMBRACE DIGITAL

Digital technologies are reshaping the HR function. As the boundaries of HR are shattered, the way HR practices are managed and run is becoming more dynamic, nimble and embedded in the business. The task of attracting, developing and retaining talent does not rest with HR alone. Digital extends processes out into the organization, empowering employees and managers to perform many of the functions that typically would have been centralized in the past. And the Internet of Things (IoT), which could add US\$14.2 trillion to the global economy by 2030,² is poised to support the workforce in daily tasks. Augmented reality means employees can be safer, such as wearing a wireless multi-gas detector that tracks exposure to harmful gases and helps plant managers monitor their status, location and safety,³ and employers can be more productive, such as farmers having access to data and analysis on diagnostics, crops, fertilizers and other factors important to improving crop yield.⁴

The HR function needs to adapt—and keep up with a proactive workforce. An Accenture Strategy survey has shown that more employees than employers are prepared for digital. Sixty-four percent of employees said they were proactively learning new digital skills and 62 percent said they were assessing the skills they may need—as opposed to the 66 percent of employers who said they are either not prepared or barely prepared to transition the skills and job mix of the workforce.⁵

Digital is here to stay. By enabling new approaches to delivering HR services, driving the democratization of talent management and acting more like a marketing organization, winning HR organizations can fully embrace digital. And once the burden of the extensive time spent on routine processes and administrative work has been lifted, HR executives are freed up to work, not only more efficiently, but also innovatively, using software and solutions that streamline tasks.⁶

PARTNER PROACTIVELY

Digital technologies are not the only route to being ready for the workforce of the future—a new mind-set toward partnerships can also help the HR function. As workforces flex and grow, HR departments must find a way to make informed decisions, keep costs low through rigorous and automated data checks and make sure that sensitive data is not exposed to unauthorized personnel. The diversity and scope for what needs to be achieved means there is no time for splendid isolation; HR professionals must look outside for solutions that do not involve the cost of controlling everything in-house or on premise. As digital players have shown, developing an ecosystem of partners involves a new way of doing business that can complement or extend traditional practices.

A partner ecosystem can increase an organization's resource pool exponentially—the scalability potential means a dramatic increase in productivity and opens up the potential to deliver new products and services faster. The rapid growth of the platform economy is a good example of the financial and competitive benefits of working more collaboratively. Platform growth relies on the power of network effects, where more market participants means more customers attracting more merchants and partners. It is largely due to platforms that the most successful start-ups have reached US\$1 billion valuations after just four years when, on average, Fortune 500 companies have taken twenty years to do so.⁷

Partnering is fundamental to a sharing economy. Many HR professionals who are turning to the flexible and scalable solutions offered by cloud computing are discovering partnerships of enormous value. Using SAP SuccessFactors and adapting the SAP HANA Cloud Platform with further add-ons, supplied by SAP partners, HR leaders can not only meet ongoing human capital management challenges, but also rapidly innovate with comprehensive mobile, collaboration, big data, and analytic services. In the cloud, frequent updates of new features and content are easily accessed and readily available—what benefits one HR department benefits many.

At Accenture, our own partnership with SAP has been active for more than 30 years—and the fruits of that partnership can be seen in our extensions for SAP SuccessFactors which ease the cloud journey. Collective key strengths help to deliver innovative solutions to the market rapidly and better prepare the HR function for the workforce of the future.

MANAGE DATA

Innovation may be the lifeblood of successful organizations but the practicalities of day-to-day functionality are still vital to HR performance. After all, even if your house has a new door, you must still make sure it is locked for it to be truly effective. HR professionals must seek out solutions that are “loosely coupled and deeply integrated.” With multiple data sources and an increasing number of applications that generate data, the fundamental need to manage data effectively—convert, migrate, validate, monitor and regression test—is as vital as ever.

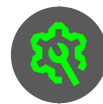
In reality, most HR organizations are running multiple applications—Excel spreadsheets, Access databases, SAP ERP systems, to name a few—making the option of cloud migration a complex business. But the issues around data management are the same, whether on premise or in the cloud—maintaining data quality, efficient data conversion and accurate testing.

There is no one-size-fits all—like many other solutions, tailoring software to meet the individual needs of the HR operation is often required. For example, inherent in the HR role is the production of employee documentation, yet Accenture has found that 82 percent of HR professionals take more than 30 minutes to create a document.



Data conversion and migration

Moving from legacy systems to Employee Central can see a 30 to 50 percent reduction in project time, saving approximately US\$100,000.



Test data and optimization

Regression testing can realize savings in the region of US\$20,000 to 40,000 a year and reduce regression testing times by 30 to 50 percent.



Data validation and monitoring

External payroll costs can be reduced by US\$50,000 a year to as much as US\$240,000 a year.

THE POWER OF CHOICE

Managing the workforce of the future requires organizations to reinvent HR services—driving their own digital disruption, developing partner ecosystems and better handling the demands of data migration, conversion and quality that are essential to “keep the lights on.” The attributes of cloud technologies have a clear fit with the scope, scale and flexibility necessary for the new normal HR organization.

Yet some HR organizations are hesitating to embrace cloud, not because of concerns over data security but due to the choice of tailorable options. With functional business apps that provide the exact service an enterprise needs to run human capital management in the cloud, HR professionals can continue to enhance productivity, growth and performance and be better prepared to manage the workforce of the future.

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 500,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

Combining experience and knowledge about how to optimize HR processes, **Accenture Software for Human Capital Management** offers add-ons for SAP ERP HCM and SAP SuccessFactors solutions to help HR business processes work more efficiently and effectively. For more, visit: www.accenture.com/hcmsoftware

FOLLOW US ON



¹ Accenture 2015 CEO Insights and “Shattering the Boundaries of HR”, Accenture, 2015

² Winning with the Industrial Internet of Things , Accenture 2015

³ Helping Achieve High Performance Safety Using Intelligent Industrial Mobility, Accenture, 2013.

⁴ Big Data Comes to the Farm, Sowing Mistrust Seed Makers Barrel Into Technology Business, by Jacob Bunge, Wall Street Journal, February 25, 2014

⁵ Being digital: Embrace the future of work and your people will embrace it with you, Accenture Strategy 2015

⁶ Content taken from ADocComp internal comm

⁷ Five ways to win with digital platforms, Accenture for the G20 Young Entrepreneurs’ Alliance Summit, China 2016

⁸ Building the digital HR organization, Accenture 2015