

# 5-minute Insight

## HR Technology Survey 2017



### What to consider if you're still on the fence

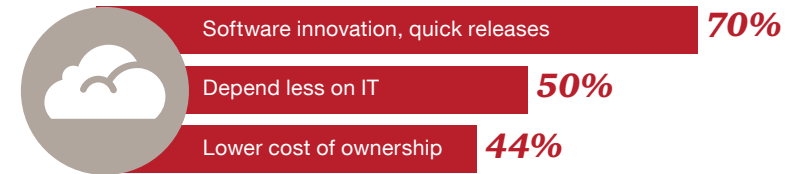
This year's data marks a turning point in satisfaction with cloud implementations. Most of our survey respondents—78% of them—are satisfied with the ability of their cloud products to meet their business needs. In contrast, when PwC asked this same question in 2015, only 62% were satisfied. What is behind this shift? Vendors are pushing new releases to customers anywhere from two to four times a year. With each passing year, vendors have refined and improved their processes around development, release management, defect management, testing, and communication. This has had a big impact on closing previous satisfaction gaps. The number of organizations citing that product defects caused implementation issues has dropped sharply. Last year, 52% noted software “bugs” as a top issue. This year, only 24% called this out as a problem. Last year only 67% of requirements could be met “out of the box” by cloud vendors. Today, that number has grown to 70%. This steady year-over-year improvement in quality and capabilities should provide comfort to those organizations that are wavering in terms of their shift to the cloud for human capital management. Every organization has to undertake their own assessment on whether and when they should move their HR applications to the cloud. If a year or more has passed since your last assessment of cloud as a viable option, it may be time for another look as many of the most common concerns can now be addressed. Moving to the cloud now will help position your organization for the future digital disruption and workforce changes that we all know are headed our way.

#### *Tips for successful HR cloud migration*

Here are some tips to help prevent some of the implementation challenges cited by our survey participants:

### Why use the cloud?

Top motivations to use the cloud for HR processes



#### *Engage communication and change management experts right from the start of the project*

Whether they come from within the organization or from outside, having a dedicated communication and change management team can work wonders when it comes to surfacing and socializing the most impactful changes between old ways of working and new ones. Remember that 45% of processes change in some way during cloud migrations. Most people do not like surprises when it comes to how they do their work. A strong change management and communication team can socialize process changes with stakeholders continually during the project, “pressure testing” ideas as the team makes decisions. Once changes are approved, communications to the workforce can be gradual instead of an “avalanche of change” at cutover. Training programs can be designed to highlight these new ways of working—comparing and contrasting old and new ways to get things done.



**Lean on your cloud vendor**

With on-premise software, HR and IT play critical roles in on-going application support. Dialog with the software vendor is perhaps a few times a year, if you have a question or are planning for an upgrade. With the cloud, software vendor communications are weekly, if not daily. They become a critical part of your team, a third leg of your service-delivery stool along with HR and IT. As such, make sure you know what is coming on your cloud vendor's product road maps and make sure they are aware of your needs as well. This can help you anticipate change and help manage expectations for when any gaps might be closed by the vendor.

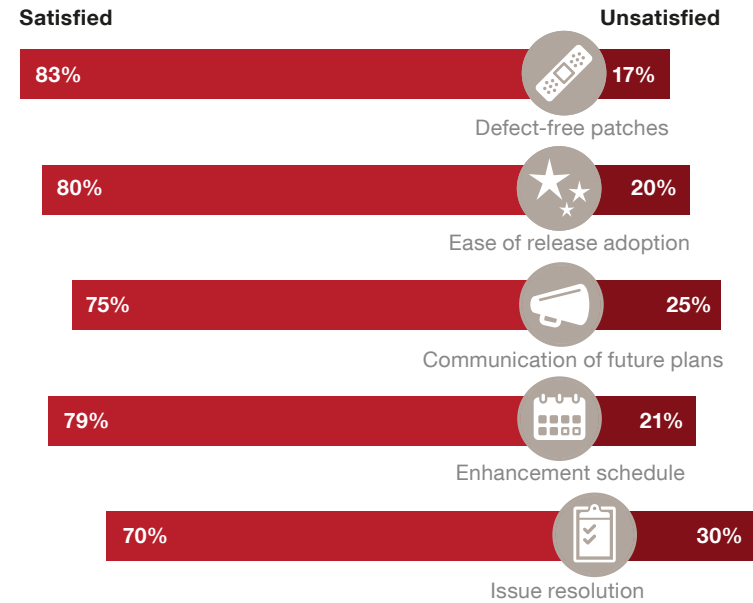
**Focus on the critical few capabilities during your software evaluation**

While 69% of organizations list "software functionality" as their number one selection criteria, many do not focus enough time on their handful of non-negotiables. If there is a certain practice or policy that is very specific to your organization and it cannot be changed, make sure it takes center stage over the hundreds of common requirements that the vendors all handle in largely the same way. Also, focus on the processes/transactions that will be used by the greatest percentage of your workforce (employee and manager self-service transactions).

**Ask stakeholders to champion change**

While providing the financial and people resources required for a transformational project is critical, commitment from stakeholders for a cloud project goes further. Each stakeholder must be a willing and capable change champion, garnering support from other leaders in the organization to challenge the status quo. They must define an inspirational "moon shot" type of message for the project team to ensure they stay positive when everything doesn't fit neatly or exactly the same way as it did in the past. The primary reason companies move their HR processes to the cloud is for the constant innovation. It is important for these stakeholder change champions to remind everyone that the cloud is a continual change journey and not a static destination.

**Satisfaction with the cloud is up, due to vendor responsiveness**



Base: 171 How satisfied are you with the following?  
Source: PwC's HR Technology Survey, August 2017.

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