



The Search for Human Capital Management Tools:

What fits your organization?

An abstract graphic in the background featuring a white surface with a grey diagonal band. The band contains binary code (0s and 1s) and is flanked by orange and grey circles. The overall design suggests a digital or technological theme.

Presented by:
Mary Lou Drake, SPHR and Justin Fansler
of DRAKE & Associates, Ltd.

NC-IPMA Southern Regional Conference
April 25, 2005

The slide features a blue header bar with the title "The Search for Human Capital Management Tools" and a subtitle "What fits your organization?". Below the title is a graphic of a binary code pattern (0s and 1s) forming a wedge shape. The DRAKE & Associates, Ltd. logo is in the top right corner. A "Presented by" section at the bottom left lists Mary Lou Drake, SPHR, President of DRAKE & Associates, Ltd. The date "April 25, 2005" is in the bottom right corner.

The slide has a blue header bar with the word "Overview". Below it is a list of topics: Disclaimers, Human Capital Management Tools defined, Benefits of Human Capital Management Tools, Planning and implementation steps, Different types of tools (Administrative HR tools, Enterprise analytical HR tools, Specialized analytical HR tools), SRHM statistics relating to failures and success of Human Capital Management systems, and Conclusions. The DRAKE & Associates, Ltd. logo is in the top right corner. A "Presented by" section at the bottom left lists Mary Lou Drake, SPHR, President of DRAKE & Associates, Ltd. The date "April 25, 2005" is in the bottom right corner.

The slide has a blue header bar with the word "Disclaimers". Below it is a list of points: In discussing this topic, it is important to note that we are not endorsing products, but do reference products for use as examples; As a basic premise, we are not talking about particular software solutions, but how to best use the information and data that these systems provide; We hope to help create consciousness about how to use these HCMTs in order to move HR to a strategic level within the organization. The DRAKE & Associates, Ltd. logo is in the top right corner. A "Presented by" section at the bottom left lists Mary Lou Drake, SPHR, President of DRAKE & Associates, Ltd. The date "April 25, 2005" is in the bottom right corner.

What are Human Capital Management Tools?



Human Capital Management Tools provide software solutions to...

- Help manage HR functions, from payroll and benefits to recruiting and staff development to help reduce overall HR costs.
- A portal for employees to access data pertaining to them, reducing time spent by HR providing the same data.
- Analytical functions that help tie an organization's people resources with their strategic goals.

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What are the benefits?



What are the benefits of Human Capital Management Tools?



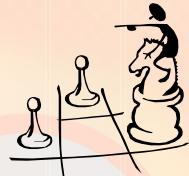
- Allows communication between employers and employees
- For the cost conscious, it is a way to reduce costs of additional hires to do administrative transactional functions as the organization grows
- Provides a centralized agreed-to method for data organization

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What are the benefits?



What are the benefits of Human Capital Management Tools?



- Provides secure storage of personal employee data
- Provides data to help management make strategic decisions and align resources with company goals

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Biggest benefit?

What is the single biggest benefit of Human Capital Management Tools?

Allows time for HR Leaders to finally begin migrating to a clearly more strategic thought - leader role.

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Before you begin...

Before implementing any Human Capital software system, be aware of the following...

- Technology is no substitute for sound business expertise:
 "A fool with a tool is still a fool."
(Doug Reed, former VP of SAP America's HR Unit)
- HR Tools can be very beneficial, but to most effectively utilize the data, you should use an expert to help in analysis, the formulation of a plan and implementation.

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Successful Implementation

Successful implementation of a Human Capital software system includes the following steps...

1 Comprehensive needs assessment:

- Begin by gathering requirements from HR staff, staff end users, management and others who have searched for computerized systems
- Compile requirements for the system before shopping
- Don't buy more than you will need – too much can require additional training and cause confusion
- From this assessment, formulate a list of questions for potential vendors

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Successful Implementation

Successful implementation of a Human Capital software system includes the following steps...

2 Select a system and vendor:

- Participate in multiple demos **tailored to your needs** and make sure you understand the capabilities of the system

3 Negotiate the terms of agreement with the vendor:

- Does the system allow additional modules to be added as your needs grow?
- Do they provide updates and system support?
- How much training will your staff require?

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Successful Implementation

Successful implementation of a Human Capital software system includes the following steps...

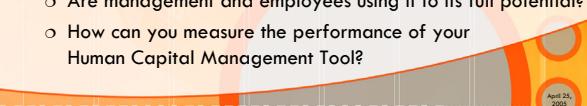
4 System implementation:

- Communication with employees is key – they must understand and embrace the shift to the new technology

5 Evaluation and follow-up:

- Is the system meeting your needs?
- Are management and employees using it to its full potential?
- How can you measure the performance of your Human Capital Management Tool?

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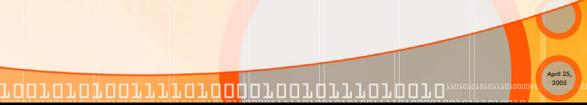


Different Types of Tools...

You should be aware of the different types of Human Capital Management Tools...

- Administrative HR Tools
- Enterprise Analytical HR Tools
- Specialized Analytical HR Tools

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Administrative Tools

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Administrative HR tools focus on reducing paperwork and automating processes...

- Track benefits and payroll
- Enable employees to update their personal and demographic information, reducing HR errors
- Enable employees to view the details of their compensation and benefits package
- Access other corporate resources, such as policies, procedures, performance plans
- Lower operation costs

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Administrative Tools

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Administrative HR tools focus on reducing paperwork and automating processes...

With Administrative Tools, HR can spend less time on transactional and administrative tasks and can focus more on the strategic organizational goals, such as:

- talent management including workforce and labor market analytics to define competencies needed for the future and how to find or develop staff with those skills;
- retaining a competent productive workforce;
- recognizing and rewarding successful staff through a constructive performance management process.

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Administrative Tools

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Administrative HR tools focus on reducing paperwork and automating processes...

Administrative HR tools can be combined to provide a portal for potential employees (recruitment) and current employees to reduce paperwork time for HR and allow staff to allocate more productive time to strategic functions.



For example, Watson Wyatt's "eStatement" provides benefit and compensation information to employees.

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Enterprise Analytical Tools

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Enterprise Analytical HR Tools focus on providing numerous metrics and administrative functions...

- These tools allow users to track large quantities of raw data. Those users who are trained in organizing and analyzing the data can then integrate it into strategic decision making. However, training and development is crucial for this software solution to be successful.
- While analytical tools (metrics) are the latest market trend, many HR practitioners lack the will or capability to use them.

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Enterprise Analytical Tools

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Enterprise Analytical HR Tools focus on providing numerous metrics and administrative functions...

- Metrics are useful, but users must also have the expertise to relate the metrics to actual business performances and the ability and insight to align business and strategic objectives.
- The data may have new names such as "cost-to-hire" and "time-to-hire," but it doesn't mean anything unless HR truly understands it and uses it as part of a business process.

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Specialized Analytical Tools

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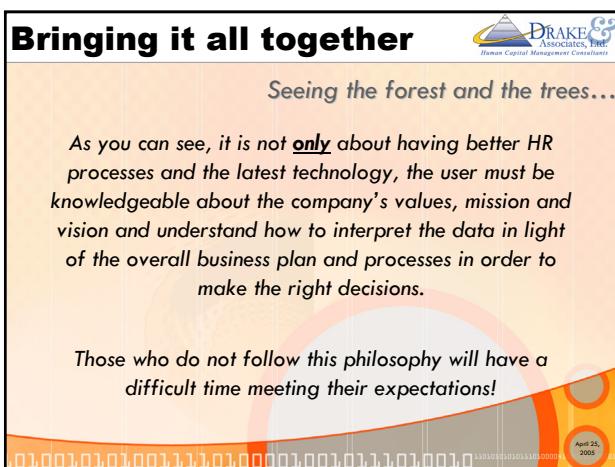
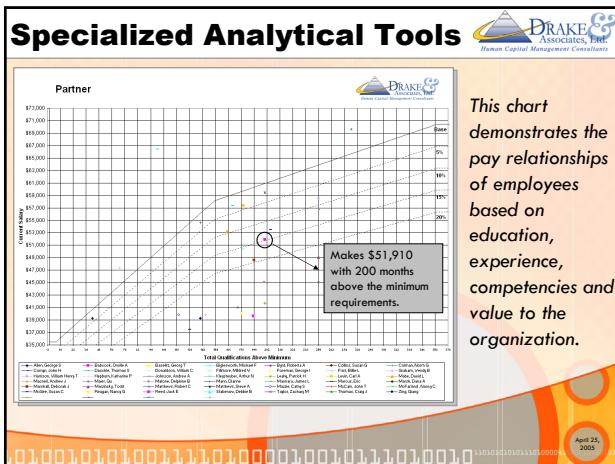
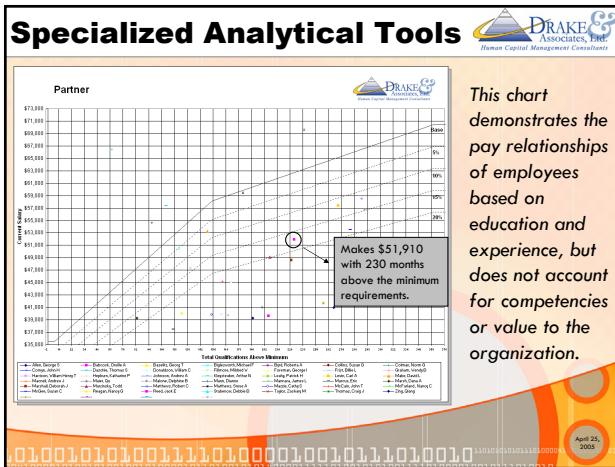
Specialized Analytical HR Tools combine software with professional expertise...

- Combine the power of data gained through HR tools with professional expertise to help the organization analyze and successfully use the information learned.

For example, DRAKE's
Human Capital
Management Tool
for Pay Equity

 Human Capital
Management Tool
for Pay Equity
Recruit. Retain. Inspire.™

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SHRM Statistics

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SHRM's Top Reasons for HR Technology Tools Not Meeting Expectations...

1. HR staff does not spend less time on administrative work
2. Recruiting effectiveness has not improved
3. HR staff has not been able to spend more time on strategic resource planning and leading the organization
4. Managers do not have greater access to employee information
5. Employee satisfaction has not increased

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SHRM Statistics

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SHRM's Top Reasons for HR Technology Tools Meeting Expectations...

1. The accuracy of employee information has increased
2. Cycle time for processing employee information transactions has decreased
3. HR staff does spend less time on administrative work
4. Managers have greater access to employee information
5. HR is able to manage the workforce with the same number of HR staff

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Conclusions

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To effectively use Human Capital Management Tools, an organization must...

- Plan, plan, plan! Completing a comprehensive assessment to fully understand your organization's needs and expected outcomes is key.
- Key people in your organization must understand how and be committed to effectively using the data gained through any system to further align people resources with strategic goals.
- There must be comprehension, engagement and training for employees and managers to successfully utilize any new HCM system.

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The screenshot shows a Microsoft Internet Explorer window. The address bar says 'Drake & Associates, Ltd - Human Capital Management Consultants Microsoft Internet Explorer'. The main content area displays the Drake & Associates website. It features a 'Latest News' section with a link to 'http://www.drakehr.com/news.html'. Below this is a large, handwritten-style text 'We invite you to visit our website...'. At the bottom of the page is a URL 'www.drakehr.com'. The left side of the slide shows a portion of the website's sidebar with sections like 'Human Resources Solutions', 'Organizational Development Solutions', and 'A Closer Look at Our Company'.
