

Modernize your human resources function to drive business success

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Over the past decade, the U.S. labor market has grown tighter, and economists expect it to remain constricted into the foreseeable future.

The key to overcoming persistent workforce challenges is to sustain productivity and efficiency among fluctuating market conditions. Middle market companies that develop a clear workforce planning strategy to optimize the power of their people can gain a competitive upper hand and achieve long-term success.

A critical first step in boosting productivity is transforming human resources (HR)—its people, processes and technology—into a modern, best-in-class function that robustly supports HR processes and the employee experience. A satisfied workforce functioning within a clear organizational structure will improve service delivery, drive revenue and contribute to business growth. Companies that commit to enhancing the value and impact of their HR function become more resilient and agile than their peers.

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Signs that your HR function needs work

Companies that could benefit from improving their HR function often experience inefficiencies or rely too heavily on manual tasks within HR processes. These processes can involve core HR responsibilities such as payroll, systems or talent. Your payroll may be error-prone, time-intensive or behind schedule. Outdated technology can hinder effective HR management. And your talent team might struggle to recruit the right candidates or people with the right capabilities or lose employees to competitors for frustratingly minor reasons.

Other common issues include lower-quality HR service delivery, poor data on which to base HR decisions, a struggle to align your HR function with your organization's strategic objectives and an overall lack of capabilities within HR to drive business success.

There's also often a backdrop of organizational change, whether because of merger and acquisition activity or a change in your business model that necessitates an organizational scale-up. Regardless of the cause, within a newly changed organization, HR needs to look different. Processes must be repeatable and automated, supported by the enabling technologies that drive them, which can be a significant change from the status quo.

HR optimization delivers for companies of all sizes in any industry regardless of project scope, budget and time horizon, because it can be applied as a surgical strike that targets a specific issue with a fit-for-purpose solution or as a full-blown, company-wide transformation.

► Talk with us today about how to start your HR transformation journey



HR transformation delivers measurable benefits

Organizations that redesign their HR function can experience a variety of benefits that contribute to a more engaged, efficient and strategically focused HR department that supports the broader objectives of the organization. Potential benefits include:



Operational efficiency

Streamline processes to reduce errors and accelerate service delivery, allowing for a focus on growth and innovation



Enhanced employee experience

Create a responsive and engaging environment, boosting employee morale and retention



Strategic business alignment

Align talent management and workforce development with the company's goals



Role clarity

Define roles and responsibilities within HR, enhancing coordination and understanding of individual contributions to company strategy



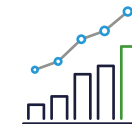
Improved service delivery

Utilize digital tools for efficient and accurate HR support, improving overall service quality



Technology adoption

Introduce technology-driven solutions for an agile, data-driven HR function



Data-driven decision making

Leverage advanced analytics and automation for informed talent acquisition and management



Competitive advantage

Position organizations to respond effectively to market dynamics and foster a productive workforce



Build a solid plan for HR transformation

Regardless of the size of your project—whether it's a fit-for-purpose or a full-blown, company-wide initiative—you can organize your HR transformation and increase your chances of success by following these key steps in your strategic approach:

- > Assess and analyze
- > Align strategically and engage stakeholders
- > Design the future state
- > Implement and manage change
- > Monitor and improve

Assess and analyze

Before taking any action, your first step is to identify the gaps in your processes and determine the root causes. Understanding the current state of all of your HR process areas, the technologies that enable them and the people who are affected by them provides the depth of knowledge you need for a robust starting point. By understanding the issues and context surrounding your current challenges, you're in a stronger position to articulate and achieve your end goals.

Align strategically and engage stakeholders

Because an HR transformation will affect everyone within and related to your organization, it's critical to engage all stakeholders from the start. This helps aggregate input and confirm that project goals meet the needs of everyone involved. Internal stakeholders include senior leadership, finance and IT, other groups with back-office connectivity to HR, managers, employees and relevant operational groups. External stakeholders include customers as well as current and potential partners.

By making sure everyone affected by the change has a voice, and by getting buy-in from all parties with an active role in the transformation, you can ensure each group feels invested and does its part to drive the success of the project.

Design the future state

Once your organization understands HR's unique gaps and issues, your transformation team can begin defining what it wants to achieve and determining specific fixes to achieve these goals. This phase marks the opportunity to design what the future of HR looks like within your organization and why. This might include redesigning processes, implementing new technologies, or restructuring roles and responsibilities.

Chris Mueller, managing director of the workforce management practice at RSM US LLP, says, **"This vision statement serves as the north star, the guiding principle for how a company needs to think about getting where they want to go."** It allows you and your team to navigate its way there.

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Implement and manage change

Before you commence a roll-out, be sure to build a strong communication plan that takes into account the fact that the messaging responsibility doesn't fall solely on HR. Each affected group—from senior leadership to middle management to sales and customer-facing teams—must understand how the change will affect the team and improve the day-to-day work and then communicate this information across the team. When each team includes details specific to someone's role, the team engenders confidence and drives adoption.

One tactic you can employ to introduce the changes is to launch a series of roll-out activities and training like lunch-and-learns leading up to the transition. Another valuable action is to train, support and then rely on change agents—the managers and supervisors who support the day-to-day staff directly affected by doing things differently—to get employees on board early and act as the positive voices of change.

Your team should also deploy a pilot program that sufficiently tests all capabilities and changes to be sure everything works correctly and has the desired effect on the organization. Even after the roll-out, it's advisable to keep a feedback loop in place that allows you to quickly detect potential new problems and make seamless, continuous improvement.





Monitor and improve

A successful roll-out is a fist-pump moment, but the true value of transformation depends on sustaining it in the long term. Because HR transformation is an ongoing process, tracking key metrics and performance indicators will help you more clearly see the results of your efforts.

At the outset of your project, establish a baseline so you know your starting point, choose what data points will be measured, and define your desired outcomes as well as what constitutes success. Once you begin measuring, you'll see how well the results align with your goals, what's working and what's not. Then pivot and adapt. Because the human capital management landscape is dynamic, staying aware and remaining objective and nimble are essential tasks moving forward.

To keep your HR goals on track, develop an annual HR strategy and review it regularly to understand how well you're succeeding. Resist the urge to stay static—you can't set it and forget it. Instead, adjust to market dynamics and modify your plans to meet future business goals.

What does success look like?

Because every organization is unique, there isn't one standard set of success metrics that fits them all. Possible yardsticks include tactical measurement, organizational measurement and larger transformational markers. Tactical measurements can include improvements like reduced process cycle time, reduced errors and specific return-on-investment elements measured by discrete key performance indicators. Broader organizational measurements might track the rate of adoption and successful change adoption.

Truly transformational markers signify more dramatic changes like:



Implementing a shared services environment (moving from decentralized to centralized)



Consolidating your HR and payroll or timekeeping systems



Changing your full-time employee ratio, often indicative of a new service and delivery model



Shifts in worker or vendor mix

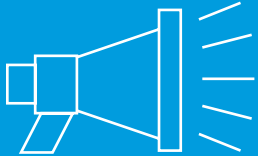


Why engage an advisor?

Modernizing HR isn't a core capability for most companies, and it shouldn't be—HR's job is to deliver the best employee experience that drives the best customer experience. In addition, most companies don't have the capacity to fully handle an HR transformation in-house, even if they have the capabilities.

To maintain your focus on key business initiatives and goals, consider bringing on an advisor to manage your HR transformation project. A seasoned advisor can see the big picture, identify root causes, determine fixes and prioritize those remedies. Skilled and proven practitioners in HR transformation will have a team with deep experience and strong muscle memory that will work alongside you every step of the way to achieve your goals.

Success stories



Private equity-owned global public relations and media software company

Challenge:

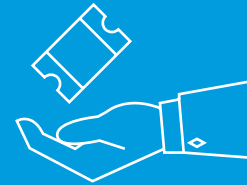
Constant acquisition of new entities on disparate HR and enterprise resource planning systems required centralization and a single source of truth for employee data

RSM responsibilities:

- Discover reasons for data discrepancies
- Define ideal future-state target operating model; implement new processes using existing technology

Impact/results:

- Successful implementation of onboarding module to streamline talent acquisition and onboarding processes
- Successful transition of employees across the globe into a single UKG system; deployment of self-service tools



Global ticket marketplace for live sports, music and theatre events

Challenge:

A carve-out from their parent company required the exit of core systems in finance and accounting, HR and IT infrastructure

RSM responsibilities:

- Define future-state operating environment
- Select and implement new HRIS and global payroll systems
- Streamline, integrate and reduce providers

Impact/results:

- Successful transition from multiple disparate solutions to one unified HRIS and global payroll provider
- Integrated solutions for applicant tracking, onboarding, HR, time and attendance, and global payroll



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Why RSM

RSM's HR transformation team has cultivated a deep understanding of the function from the years that our team members were employed in key HR roles. We are recognized as a leader in HR transformation services with a proven track record of modernizing clients' HR functions. We apply this combination of personal perspective and real-life results to every project in which we're engaged.

Our tailored approach is based on each client's unique business. With a hands-on style, our team works collaboratively throughout the project life cycle, providing clients with continuity and an end-to-end project view.

Our holistic view of your target operating model means we can address related impacts to finance and accounting, back-office functions, supply chain and other affected service areas. Marni Rozen, principal and national leader of the human capital consulting practice at RSM US LLP, says, "RSM takes the approach of understanding our clients fully and working as an integrated team with you. Given all our capabilities, we're the right advisor to support you from the beginning to the end of your project."

HR transformation affects many areas of a business, so our experience in change management, finance and other dependent systems, as well as our broad capabilities across industries and systems, make us a true end-to-end service provider. Mueller explains, "We're a full-service advisor. We can do the strategy and transformation work but also the actual implementation and execution, or any combination you need."



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Companies that enhance the value and impact of their HR function unlock the full productivity of their people by empowering them to focus on high-value activities. This creates a dynamic and satisfied employee base whose individual contributions support an organization's vision and help achieve business goals now and for the long term.

Get ahead of the curve.

Talk with us today about how to start your HR transformation journey.

For more information

call us at +1 800 274 3978 or **contact our HR transformation team today.**

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