

VIEW POINT

Clearing the clouds of SuccessFactors



- Jitendra Chakravarty, Principal Consultant

Abstract

HR Systems have undergone a sea-change, with the light shining down from the clouds. From being repositories of information, they are becoming increasingly engaging and pervading the erstwhile strongholds of papers, stamps and closed-room meetings.

But how can organizations realize the potential and ROI that the cloud and systems such as SuccessFactors promise?

Transitioning from a System of Record to System of Engagement

HR has a long history of being a cost center or back office operation, and there has been a consistent desire to change this status to a strategic partner for front office profit centers. This has been strengthened by three things –

1

Proven research that organizations which manage talent well, are more profitable and attract talent more easily

2

Multiple generation workers working together at work, hence the aspirations are different

3

Technology explosion which has radicalized the way we work and entertain ourselves





Cloud as a technology, with its agility and lower costs has given a fillip to the desires of HCM function to address the above. Thus, it rightfully gains traction for itself as the strategic partner to the overall business, intending to move from being HR Systems of compliance, to Systems of Engagement.

There is no denying that talent management suite was the forerunner in this space; whether it was Sum Total or SuccessFactors, or Saba (the list is quite long). It was only with the launch of Employee Central, that an integrated Enterprise Edition of HCM suite gained

acknowledgement as an alternative to on-premise solutions of SAP/Oracle/ PeopleSoft etc.

The driving force for SAP behind this investment and approach were multiple, the primary being:

A subscription-based model, allowing the HR function to make a choice of underpinning applications as an operational expense. This allows freedom of choice rather than be limitations by procurement choices for IT

Social media has changed the user experience expectations of business applications, especially the app-way of working is becoming stronger for self-service applications

HR seems to have quietly gone into a mode of having the best-of-breed solutions for different process areas – Learning/ Performance Management/ Succession Planning, and even Payroll for that matter

Capital investment in IT is becoming dearer, and as organizations look to reduce costs for obtaining newer and richer functionality in HR systems, cloud seems to be a good shared option

Use of analytics in organizations seems to be coming of age, a good integrated platform would make life lot easier

While SuccessFactors managed the first three aspects very well, when points 4 and 5 started gaining prominence, it became an acquisition target for an organization like SAP, which had already started visualizing its growth with a multi-billion cloud line of business.

SAP realized that employee engagement in Talent management processes is far greater than core HR processes. In Core HR, the employee connect with the application is generally in areas of checking pay stubs, enrolling for benefits and wellbeing management through leaves. This clearly reflects in their strategy of having a hybrid architecture, which will allow the strength of an on-premise application to be coupled with a great user experience of SuccessFactors for talent management areas.



Why SuccessFactors becomes a game changer

SuccessFactors is a game changer in HRIT application management for the following reasons –

- SuccessFactors can be deployed over non-SAP installations as well. Be it an Oracle on-premise or PeopleSoft or any other installation, SuccessFactors integrates with them all.
- The side-by-side architecture of SAP allows organizations the luxury of transformations without horrendous costs (monetary/people/IT landscape) of rip and replace
- It allows organizations to treat their talent management processes as global and has the extremely attractive option of rolling out such processes in a big bang. This generates more impact by creating one process situation across the globe, impacting motivation and sense of belonging of employees
- Pilots can be done for HR business for all the processes that they want to transform at a low cost. These can be run for 4-6 months internally, before rolling out the process/application to a larger group
- Users can do more with the application to customize it for themselves/ processes, allowing individuality to flourish
- SAP's proven track record on multiple-country payroll and legal compliance will continue to be invested in Employee Central. This will ensure it can keep pace with its talent management suite's global usage
- When organizations want to simplify their HCM landscape, retiring homegrown solutions/ multiple applications; pushing it to SuccessFactors is cheaper and less painful than consolidation of systems



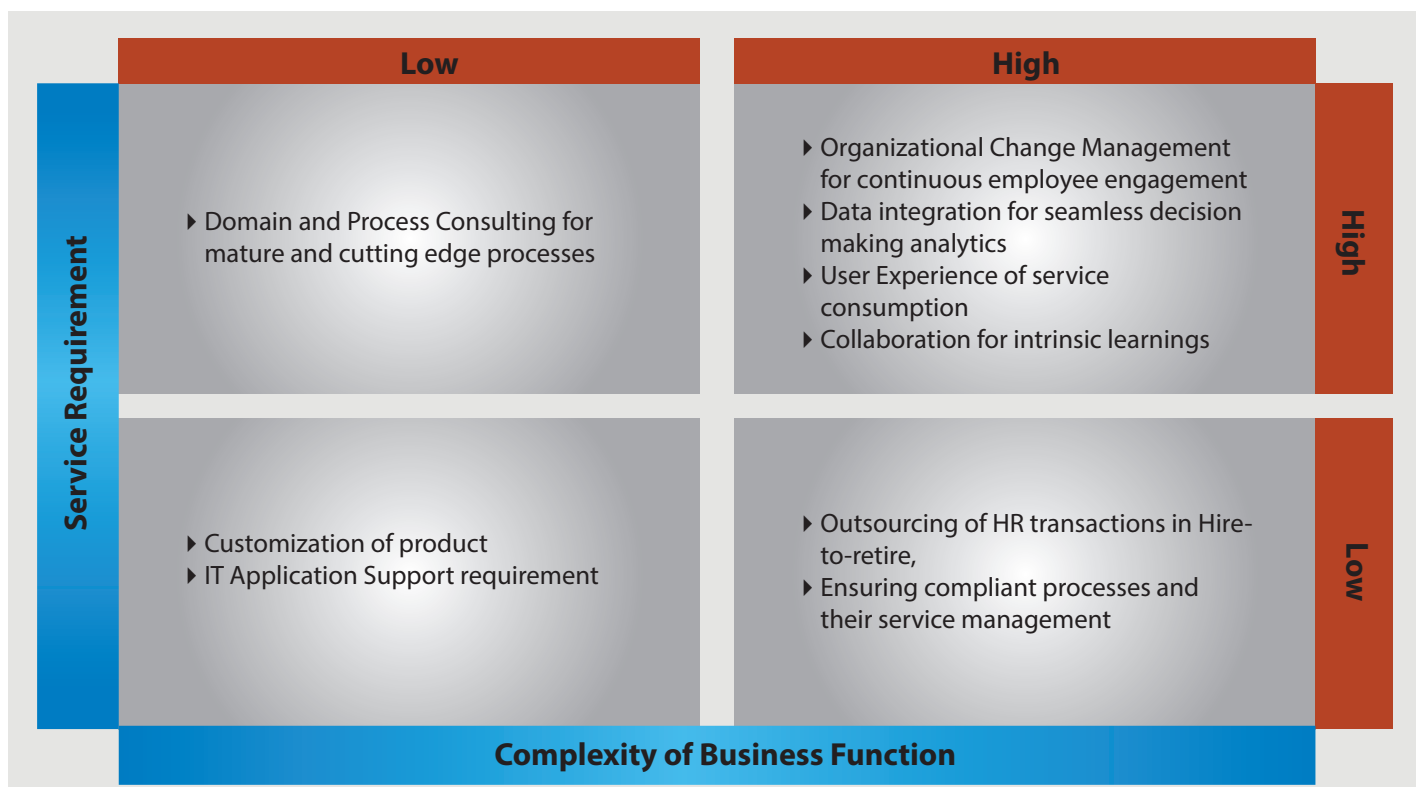


SuccessFactors becomes a game changer as the service requirements and complexities, and business now shift from the traditional ones to more about OCM, data integration, user experience etc.; bringing HR more in-line with other functions like Sales and CRM. It allows HR to be truly global using the local language and employment rules, while being available to the last mile sales representative on the mobile device for usage.

SuccessFactors addresses the needs of the High-High Quadrant in the below matrix directly. SAP's data integration capability augments the founding principles of engagement/user experience/collaboration.

The matrix below highlights the kind of services HR business requires as complexity of business keeps on increasing. It is

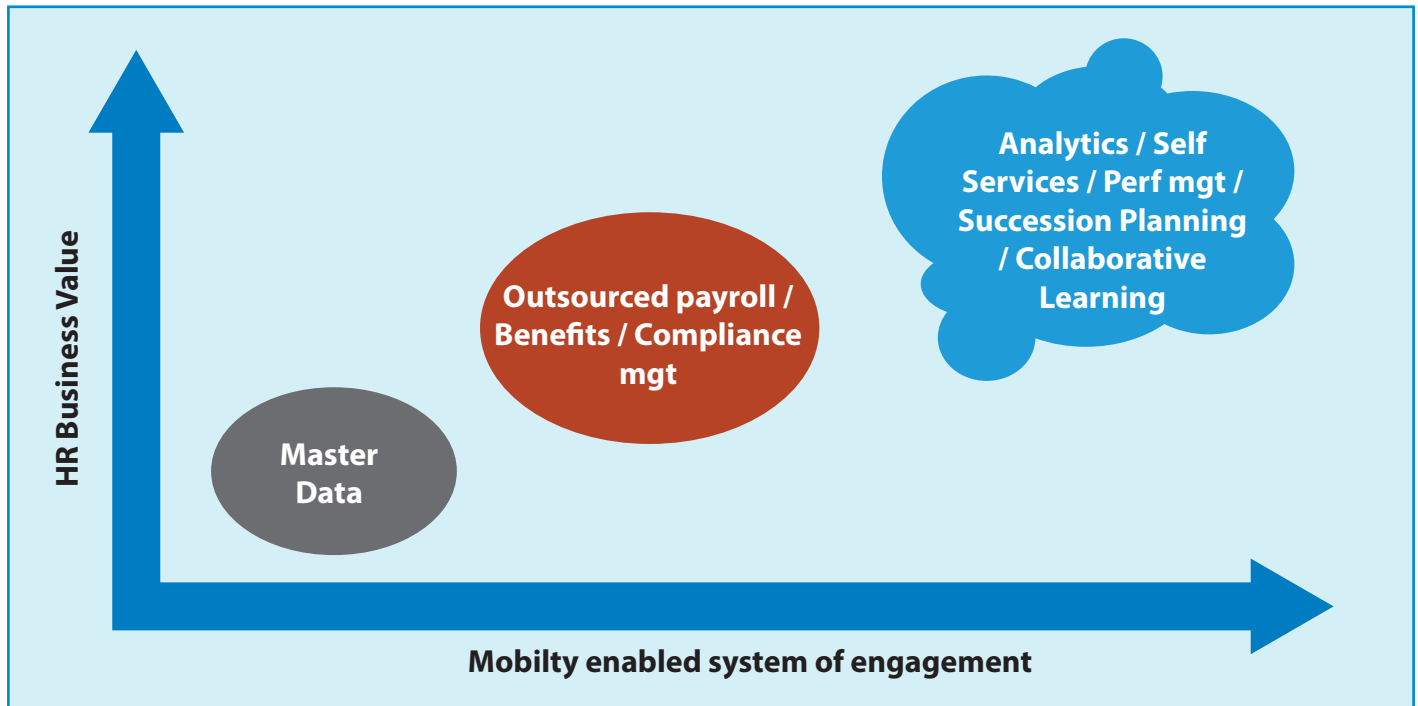
evident that in complex to highly complex business environment, the service requirement veers towards those which increase employee engagement by self-services. For self-services to be helpful, user experience is the key. It drives change and learning to ensure that employees feel engaged via the application which SuccessFactors achieves due to simplicity of usage



Value Chain of HR business and SuccessFactors alignment with it

The traditional view of HR business has been ensuring a System of Record, which will allow payroll, finance, and other domain applications to work smoothly, and the organization to be legally compliant. HR as a function had moved away from this, with introduction of Service Outsourcing of lifecycle management of employee. However, it has never had a product, integrated enough, to match value identification in the business. With Employee Central, coupled with the other modules of SuccessFactors suite, this gap was bridged and the advantage SuccessFactors enjoys over most of competition is the capability to be managed by business users directly.

The below model explains how SuccessFactors becomes the System of Engagement rather than just being a reactive HR application.



With a System of Engagement in place, the HR specialists can start looking at multiple initiatives for managing aspirations of the organization as well as individual employees.

To conclude, cloud technology allows HR specialists to participate in the choice of technology that would support their daily functions. During the current transitional times, where HCM has a

substantial presence in organizations through on-premise application suites, the luxury of combining the best of cloud with them is provided in multiple ways by SuccessFactors. This is also enabled through the side-by-side architecture from SAP, allowing robust integration across landscapes, without the worry of lost or duplicate data. Integration options are many through Dell Boomi/SAP PI/ Hana

Cloud Integration platform to name the leading ones.

SuccessFactors is an excellent choice, as it gives the breadth and depth of functionality, user experience, as well as lowers cost of operations. And it does this, while being used as the System of Engagement, rather than just as merely the System of Records.

For more information, contact askus@infosys.com



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