

Keeping the Success in SuccessFactors Implementations



It's hard to argue with success, and SuccessFactors has had plenty of it after moving into SAP's product suite at the end of 2011. They currently have over 20 million subscribers across 3,600 companies and have been named as a leader in 10 industry analyst reports over the last year. Companies are not only looking to SuccessFactors to help facilitate their talent management functions, but many are interested in SuccessFactors' full-suite of Human Capital Management (HCM) capabilities.

For many companies, implementing a cloud-based solution like SuccessFactors is a brand new experience.

Companies are wrestling with scope, timelines, methodology and expectations, which ultimately impact project success. We recently sat down with one of Clarkston's HCM experts, David Watts, to help us understand more about preparing for and managing a SuccessFactors implementation.

As you work with clients on these implementations, what are the biggest misconceptions?

One common misconception is that cloud-based solutions, like SuccessFactors, can be implemented very quickly. The quick, slam-it-in approach that many consulting firms are touting for cloud-based solutions seems short-sighted. Typically these approaches overlook critical areas like testing and documentation, creating the potential for long-term problems. Also, the lack of formal project management and change management, including training, often create very serious execution challenges that can be the ultimate downfall of a project's success.

Another common idea is that these projects can be executed with little consulting support. As I recall, some thought the rise of ERP solutions would require much less in the way of consulting services, compared to the previous

generation's custom applications. Although some may still argue that cloud-based solutions need only minimal consulting assistance, I would challenge that a system needs to be designed and configured to automate defined, reliable and consistent processes. I've now witnessed multiple occasions where consultants are hired only to configure and turn on SuccessFactors, with no strategic process design based on industry best practices. The results are less than optimal, and organizations are left with an overly constraining tool that at best maintains the status quo.

To continue on the topic of process, the last misconception is that cloud-based solutions are quick, easy fixes for serious underlying business process problems. Consider the hiring process. If that process is poorly defined, always changing, and rarely meeting the needs of the business, then the implementation of SuccessFactors' recruiting solution will fail. Not because the solution is bad, but because the solution cannot possibly provide benefits to a poorly defined, always changing, ineffective process.

I cannot emphasize enough that organizations need to be careful how they view cloud-based solutions like SuccessFactors. Although SuccessFactors is a great tool, it is far from a cure-all. If underlying business issues are not realistically addressed prior to or during an implementation, no solution, cloud-based or on-premise, will be effective.

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How is a SuccessFactors implementation different from an on-premise SAP HCM implementation?

First, the approach and methodology are a bit different. A quick example of the delta in methodology is around custom development. For on-premise solutions, you typically build into your approach and timeline development and testing of custom functionality not provided by the solution. In cloud-based solutions like SuccessFactors, we don't build custom functionality per se, but instead focus on the flexibility of what has already been provided.

Another key difference in methodology is the slight merging together of Blueprint (design) with Realization (configuration). Because cloud-based solutions lend themselves to agility, we can shorten the time between design and first-look, providing play-back sessions very early in the process. By shortening this gap, we can craft better, more tightly-tuned solutions quicker.

How are you managing these differences?

At Clarkston Consulting we have had excellent success with our Coherent Speed™ methodology with on-premise implementations. This methodology combines SAP's ASAP methodology, our own tools and templates based on our industry experience, and a concerted focus on change management and training. However, simply applying Coherent Speed to cloud-based implementations is not a perfect fit. Hence, we have adapted Coherent Speed to create a new cloud-based methodology.

This new methodology incorporates the changes in approach I just outlined; however, much of the core remains the same, as cloud-based projects demand just as much care as on-premise solutions. Our methodology still has a strong focus on project management, process integration and change management, all of which are integral parts of every phase of the project. I covered the importance of these in a recent blog post I wrote, *Cloud or No Cloud*.

What is a key first step for those considering SuccessFactors?

Define scope. SuccessFactors is a comprehensive HCM solution - it offers both core HCM functionality (e.g., personnel administration, organizational management) and talent management functionality (e.g., career management, performance management). Organizations can opt to only use the talent management functionality and connect SuccessFactors to their core HCM system, or manage all of their HCM system needs in SuccessFactors Employee Central. Thus, the first step is to define how the organization will use the available functionality, or in project terms, define the functional scope of the implementation.

Along with functional scope, organizations should create a rollout plan or roadmap for the selected functionality. For those that want to move to Employee Central, I would strongly recommend they implement and stabilize core HCM functionality first before moving to the talent management modules. However, it is possible to first implement the talent management suite, and then go back and implement Employee Central.

For those companies ready for talent management functionality, I recommend scoping the project into phases, pairing a couple of talent management modules together for the implementation. For example, performance management and compensation management have a lot of natural synergies, especially from a process perspective. Recruiting and succession planning are also a good pairing, as they both leverage job families, roles and skills.

Geographical reach and approach is another key scope consideration for the rollout plan, and many of the rollout decisions hinge on the current geographical reach of the ERP. For example, a large multinational company may have



SAP well established in the US, but not yet have rolled out SAP to their smaller international locations. A common approach to this situation is to leverage the increased agility a cloud solution offers and implement SuccessFactors across the international locations. This can provide significant cost savings compared to rolling out SAP's on-premise solutions for each of the international locations. In this example, we typically suggest clients deploy US talent management as one phase, with the other countries grouped together in phases depending on their size, location, language, and other company-specific factors.

The last scope consideration that I'll mention is the integration between SuccessFactors and various third party solutions, such as job posting services, background checks, and payroll services. It is important to remember that each of these third party solutions have contracts to sign, prices to negotiate, and integration costs to consider. All of these should be clearly defined in the scope and rollout plan, or you'll face delays in your implementation process.

What can companies do now to best prepare for a SuccessFactors implementation?

Many organizations don't realize there is a great deal of work that can and needs to happen prior to the launch of a SuccessFactors implementation. Have your policies and strategies in place, well vetted, communicated, and accepted by the organization. The right time to introduce a new philosophy for performance ratings or new standards

for merit increases is not the week you launch. Companies should introduce big picture changes well in advance of a new implementation. Philosophical debates over a new performance rating approach will only distract from an implementation's progress.

The organization should also define key performance indicators that will help measure performance. For example, how will you measure the effectiveness of a new performance and compensation model? How will we know if the new model is providing a good ROI? Are there metrics that can help us compare performance ratings against merit increases? If so, this gives us insight into whether the new model is actually helping us reward high performers.

On a more tactical note, organizations should start their data cleanup process early. Most companies want to feed their SuccessFactors solution with data from their core HCM system, usually on an ongoing basis. That data must be clean and reliable or your implementation is in serious trouble. Time invested in cleaning up data will pay for itself many times over.

It is also wise to begin thinking about infrastructure. While cloud-based solutions have fewer infrastructure

issues, there still remain infrastructure considerations. Will the solution put increased pressure on your organization's already overloaded connection to the Internet? Will additional technologies to implement a single-sign-on (SSO) solution be required? Does your organization have some consistency of browsers on the desktop? What mobile devices will you want to use with SuccessFactors? Hint: the iPad application is really nice.

Can you share some details about a recent SuccessFactors project to help us get a better understanding of SuccessFactors in the real world?

We are presently helping a US-based life sciences company with about 500 employees implement SuccessFactors Talent Management modules. To date, we have supported implementations of Goal Management, Performance Management, and Compensation Management; we are now in the process of rolling out Recruiting Execution.

This company has very strategically approached each of these modules and has used this implementation to streamline business processes just as we talked about earlier. The goal of the current Recruiting Execution project is to streamline the process

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of moving a person from a mere applicant to a properly qualified candidate for a position. SuccessFactors' recruiting module does a nice job of helping collect, evaluate, and manage applicants as they move through the process. We are excited to get yet another module live - the more modules online, the more synergies that are created from the integrated solution.

One of the key qualities of this entire SuccessFactors rollout is that the solution just works. While the support team sometimes receives philosophical questions about the new performance model, or the new compensation model, there have been little to no system issues. Users log in, do their work, and have very few problems.

Those are the kinds of solutions we all enjoy!

Implementation Lessons Learned

- **Configuration and administration** – while cloud-based solutions are often very user friendly and feature a very attractive user-interface, behind-the-scenes configuration and administrative tasks can be challenging for systems administrators to learn and support post go-live. Include plenty of time in the project for system administrators to learn the key administration tasks.
- **Comparing SuccessFactors to SAP HCM** – do not expect the same level of back-end SAP system data integration with SuccessFactors that you may have experienced within SAP HCM. SAP HCM has been developed over 20-25 years, while SuccessFactors is relatively new and is still growing and developing.
- **SuccessFactors Talent Management** – determine whether talent management data really needs to return to your core HR system (assuming you're not using Employee Central). For example, if you have SAP HCM with personnel administration, payroll, and benefits, determine if performance reviews in SuccessFactors need to flow back into SAP HCM. In many cases, they do not. They were conducted in SuccessFactors, and now SuccessFactors becomes the system of record for them.
- **Reporting and analytics** – the key word is invest. I recommend organizations seriously consider SuccessFactors Workforce Analytics and Workforce Planning modules. These are powerful analytics and planning tools that have the ability to aggregate information from a variety of sources – not just SuccessFactors. These tools help businesses make smart, evidence-based decisions.
- **Project and change management** – include the right decision makers in design meetings as early in the process as possible. This helps ensure that the decisions are in fact the right decisions for moving forward.



About the Author

David Watts is a Senior Manager with Clarkston Consulting who has a passion helping organizations

better utilize their human capital. He has over 15 years of IT project management experience, of which the last 10 years has been focused on successfully managing SAP Human Capital Management (HCM) projects as well as general SAP implementations.

Check out David's blog – *Human Capital Corner* – at www.clarkston-consulting.com/category/human-capital, and tell him what you think.



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Clarkston proudly partners with organizations that select SuccessFactors, SAP's cloud-based HCM solution. Whether you plan to leverage SuccessFactors' full-suite of HCM capabilities or simply supplement your on-premise solution with SuccessFactors talent management functionality, our industry experts will guide you to design a solution that aligns with your human capital goals. Our teams bring the same critical elements to SuccessFactors projects as we do to on-premise implementations, focusing on project management, process design and change management. Clarkston leverages a proprietary cloud-based implementation methodology for SuccessFactors projects and is a certified SuccessFactors Consulting Partner.



Headquarters
Research Triangle Park
1007 Slater Road, Suite 400
Durham, NC 27703
Phone: 800-652-4274
Fax: 919-484-4450

www.clarkstonconsulting.com

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For more information, email us at info@clarkstonconsulting.com