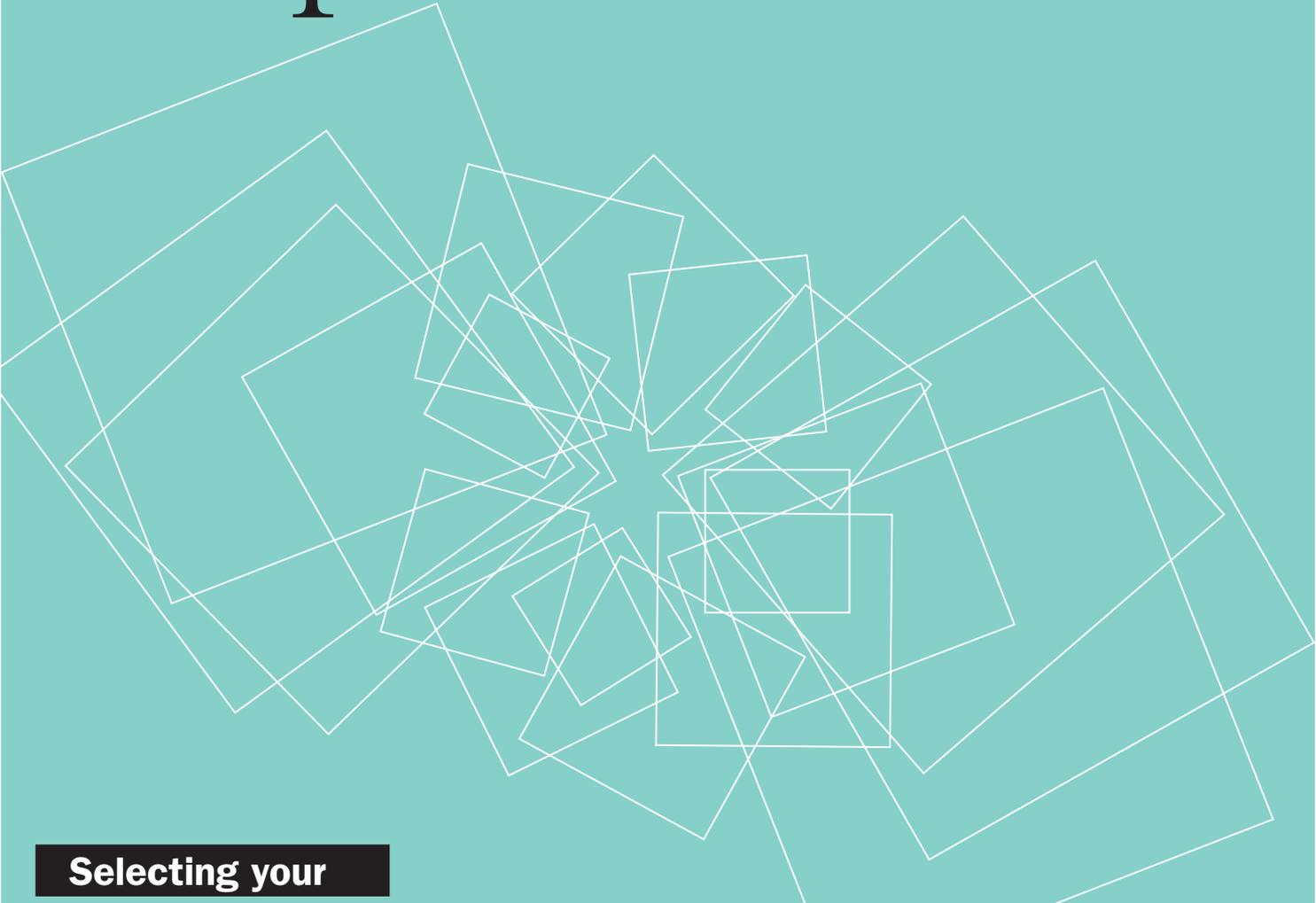


Perspectives



Selecting your

Workday implementation partner

TOWERS WATSON



“Typically, Workday implementation costs are lower – as the project duration can be shorter and require fewer resources compared to traditional HR technologies – resulting in a quicker return on investment.”

Over a quarter (27%) of organisations responding to Towers Watson’s *2013 HR Service Delivery Survey* intended to increase their HR technology spend. These organisations are looking for significant returns on their HR technology investment and, given the global nature of today’s business environment, many are focusing on expansion into global markets.

Many organisations have found that software-as-a-service (SaaS) is a good fit for their company as it is more flexible and accessible due to configuring in lieu of customising the software. Indeed, many have made the shift from older, more expensive legacy Enterprise Resource Planning (ERP) and/or HR information systems (HRIS) to SaaS technologies. The Workday application, in particular, has emerged as a system with the flexibility required to help organisations move forward in two strategic HR areas – integration of processes and global standardisation of technology – lowering the total cost of ownership versus traditional ERPs.

Workday’s frequent updates, configurability, user-friendly interface and evolving capabilities provide easy access to global workforce data to help organisations gear up for growth. To ensure a Workday solution takes full advantage of current and future system functionality, you will need a small, HR-focused, business-specific consulting team – as opposed to the larger, IT intensive team usually required for traditional technologies – working closely with you through project planning, global design, localisation design/validation, application building, testing and validation.

Workday implementations differ from those of traditional ERP technologies

A Workday implementation differs fundamentally from an ERP implementation. Typically, Workday implementation costs are lower – as the project duration can be shorter and require fewer resources compared to traditional HR technologies – resulting in a quicker return on investment.

The Workday implementation methodology differs from a traditional ERP solution as an active system prototype is used throughout the design process. In traditional ERP implementations, organisations have to sign-off design documentation at each stage before beginning configuration. By contrast, within the first week of a Workday project, the implementation partner asks for a subset of client data and loads it into your Workday prototype. Your implementation partner will hold a series of design sessions using your own data, with configuration activities commencing during the design phase, continuing well into testing. Thus you actually see the system building throughout design, which is extremely helpful in the knowledge transfer process, as opposed to receiving a series of handover documents with traditional ERP implementations.

This methodology helps to improve design decisions, reduce the implementation timeframe and improve overall buy-in and adoption of the new system – all significant factors for a quicker return on investment.

27%

of organisations intend to

increase their **HR technology spend**

compared to 2012, and

53%

will maintain

the **same level**

of technology spend.

“Putting the right implementation team in place is critical to covering all aspects for successful delivery and adoption.”

Choosing the implementation team

As a Workday implementation focuses on HR service delivery optimisation and process improvement, your team should have deep HR and SaaS implementation expertise, as well as business-specific qualifications. Project reliance on IT resources is less than for traditional ERP implementations as the project is more strategic in nature. For Workday, the required IT support should be focused on three areas:

- Extracting and, potentially, cleansing data
- Designing, building and testing integrations
- Aiding the project team in defining (and potentially configuring) system security roles and responsibilities

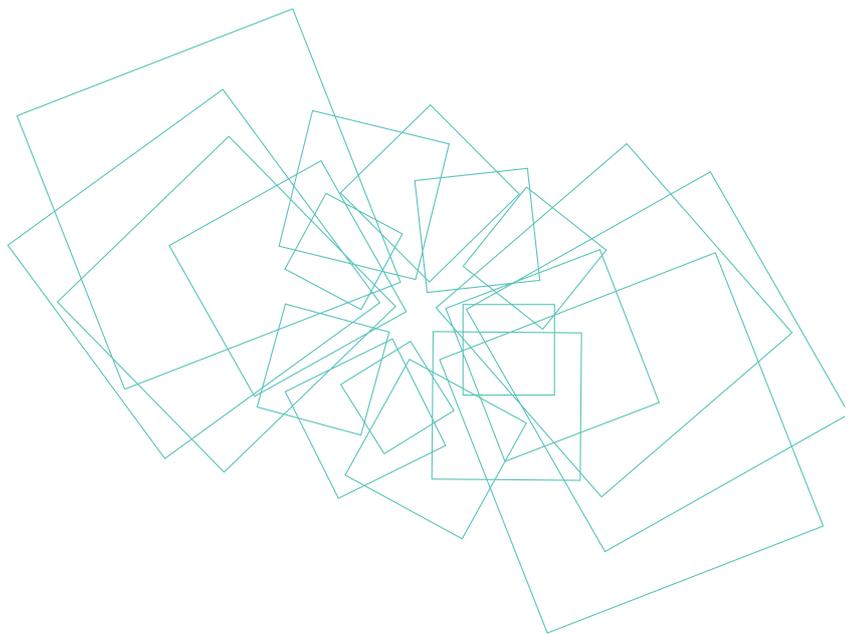
After the go-live date, there will be a reduced need for HR to leverage IT resources. This is a major difference that needs to be managed. Therefore, you will want to look for a partner with:

- Deep HR expertise and business-specific qualifications
- Experience consulting on SaaS implementations
- Proven tools and templates for the project
- Best practice HR processes aligned to the Workday application
- A focus on understanding the HR service delivery model and redefining HR roles, processes, and aligning them with business goals
- Experience in transition to facilitate acceptance of the system by end users

An implementation team that works through all these steps with function and process owners, systems and technology support, and HR staff will ensure the needs of your organisation are better understood. Your ‘implementation partner’ should ensure your team is fully staffed, your retained organisation is developed, individuals who will be responsible for the Workday system are identified, and HR or HRIS roles and responsibilities are redefined.

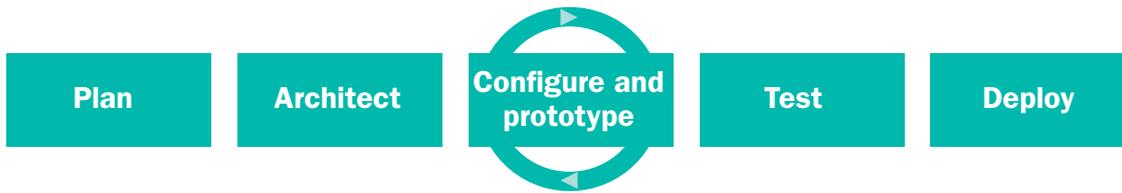
Putting the right implementation team in place is critical to covering all aspects for successful delivery and adoption. In our experience, we have found that the following are critical success factors:

- Building a strong governance process and structure
- Establishing strong leadership buy in and global direction for design
- Developing a plan aligned with business and people strategies
- Dedicating the right number and capabilities of resources to the project
- Thinking through the simultaneous integration of change to processes, organisation, people and technology
- Redefining HR processes as global event-driven, cross-functional and ‘end-to-end’
- Designing the supporting HR operating model and required capabilities to effectively balance transactional and strategic HR activities
- Analysing basic job architecture to ensure it is designed to meet your organisation’s objectives to take full advantage of Workday’s functionality around business analytics
- Building change management and communication strategies for acceptance and adoption of the new solution



The practicalities of implementation

Workday implementations involve five key steps:



Source: Workday

Plan

As the software is hosted by Workday, the Planning stage does not need to include the complexity of installing, building, and maintaining hardware and software environments. The Plan phase will set the project scope and rhythm.

The right implementation partner will make sure that your project plan includes technology (Workday functional and technical), process, change management and communications, HR service delivery model, alignment of supporting roles and work streams, supported with effective project management. Workday deployments can add complexity that needs to be considered during the planning phase. Given Workday's current release schedule (of up to two updates annually), many clients – particularly complex, global organisations – are likely to go through one or more updates during implementation.

This means you have the benefit of working through one or more updates with an experienced implementation partner to help you understand the tasks and responsibilities of the update process. The best practice is to test and go-live on the same release, which can be challenging, as even small project delays may have a major impact on the project timeline. An experienced Workday partner can be invaluable in keeping the project on schedule.

Architect

Your implementation partner facilitates design sessions that:

- Define future-state business processes and functional requirements (based on global design with country localisation where required for legal/regulatory reasons).
- Identify functional gaps and develop solutions to close them.
- Analyse how Workday will be configured and implemented to meet your business requirements.

Workday is a highly configurable system, so working with an implementation partner familiar with global HR best practices is critical to successful deployment.

- **Global design and harmonisation:** your implementation partner will conduct a global design session to gain understanding of the breadth of your business processes and data. The simplification process and definition of the future state approach is included to best configure for global deployment.
- **Deep dive sessions:** to dive into the depths of your business to get a more detailed understanding of each functional area (as required): human capital management (HCM), absence, benefits, compensation, talent, payroll, benefits, security, data conversion and integration to establish variations required for their extended scope.
- **Localisation workshops:** your implementation partner will conduct localisation workshops to validate global processes and identify any differences required for legal or regulatory reasons.

Configure and prototype

This stage is an iterative process that involves data conversions, configuration, custom reports, and integrations but does not involve product customisations. Your consulting team will complete the configuration – based on business process design specifications, design sessions, application configuration, data conversions, develop reports and carry out unit testing. Given Workday's user-friendliness, we often suggest that client resources take on configuration activities. This helps facilitate knowledge transfer and ensure that your team members are able to take ownership when the Workday application goes live. We believe these exercises are particularly valuable for dynamic organisations undergoing significant changes – including but not limited to reorganisations, divestitures and acquisitions. Your implementation partner should normally perform two rounds of full data loads which include validation of data.

“The implementation team should help your HR team coordinate, and schedule workshops and design sessions.”

Test

The Test stage ensures the client's configuration meets the business needs. Testing the configuration of delivered software is much simpler than testing customised or traditional software. The following testing phases are carried out: Unit Test, System Integration Test (SIT), User Acceptance Test (UAT)/System Rehearsal Test (SRT).

Testing scenarios are slightly different from the testing scripts typically used for ERP. While a testing script is a step-by-step system-update process that usually includes the expected results of the change, a Workday testing scenario is somewhat less detailed, providing instructions rather than steps (for example, hiring an employee into an open position). This is because Workday differs from traditional ERP systems in three key ways:

- There are a number of different ways to perform actions within Workday.
- The system is so user-friendly that the details of getting to a specific action are not needed.
- Workday updates make scripts obsolete from one version to the next.

In our experience with clients, user acceptance is the most important testing stage in a Workday implementation. First, it is the best opportunity for knowledge transfer and, second, user acceptance testing provides your first opportunity to take ownership of the Workday application. For many organisations, HR owning the HRIS application is a new concept; therefore, the opportunity for HR to take ownership of Workday prior to the go-live date helps ensure a smoother transition after implementation.

Deploy

As the software is hosted by Workday, this eliminates the need to include building and deploying production servers. In this stage, a 'gold tenant' is built which is a final copy of the last tenant from the configure and prototype phase. Workday performs a final delivery assurance review of design and configuration in the 'gold tenant'. Once the review passes, this tenant is moved to production and the solution goes live. Testing to ensure all integrations are working appropriately is a critical step and checking all data is being passed to the appropriate party or system as anticipated – including payroll integrations. For example, if you are leveraging payroll, two parallels should be run to ensure it is working as desired.

A number of activities that need to occur during this phase may not be obvious to a less experienced team, including:

- Clearly documenting and communicating the roles and responsibilities of your Workday production support team.
- Who owns security? What governance model is in place to manage role-based security?
- Who owns reporting? What is the process for an additional report request? How will this be managed?
- What is the HR Service Delivery model, if global, will you have regional support teams? Are there new capabilities required by HR?
- What is the process of determining if additional Workday functionality will be rolled out after each release? Who is responsible for communicating and educating the user base on upcoming functionality enhancements?
- Taking into consideration all of the above to determine the number of Workday tenants you will need after the go-live date.
- Transitioning to the Workday customer support team: your consulting team should schedule a transition meeting with the Workday Customer Success Team and your specific Workday representative to help you understand the roles and responsibilities of Workday customer support.

“Implementation team members will work with you to conduct system and user-acceptance testing.”

Finally, you and your implementation team should work together to prepare for pre-production and production build, synchronise with the legacy system, train end-users and hold transition workshops that assist in transferring ownership from the implementation team to your post-production team.

“Many companies have learned the hard way that, without the strategic underpinnings for an HRIS deployment, the technology itself does not deliver.”

Workday and HR transformation

It is important to note here that many Workday implementations are HR transformational in nature and also include:

- Overall programme management.
- Global HR service delivery design.
- Change management and communication.

Demand detail-oriented programme management

It is vital that your consulting partner begin by working with you to develop a governance structure and then create project, logistic and resource utilisation plans. Given the flexibility of the Workday application, there are a number of application and process design decisions that need to be made. A tightly defined and managed governance model is critical to ensuring that decisions are made and finalised in a timely manner, and do not have to be revisited throughout the implementation.

The implementation team should help your HR team coordinate, and schedule workshops and design sessions. A high-quality transition team will highlight and track project issues, risks and changes in project scope, as well as facilitate the resolution of any issues with your project leader. The team should also assist in establishing knowledge management standards and processes, and ensure quality management when those processes are deployed.

Focus on optimising your global HR service delivery model

You need to consider the impact of Workday on your HR function. Changes may be required to your structure, people capabilities, processes and sourcing arrangements as you implement Workday. Using Workday’s procedural best practices, combined with your implementation partner’s knowledge of HR trends and best practices, will help bring HR into alignment with your organisation’s specific needs.

Very few companies have begun to standardise HR processes across countries and regions, but it is a goal for most multinationals. Workday is especially flexible in this regard, and working with an implementation partner that understands HR, and global HR policies and processes, will help ensure your success at introducing a new global

HRIS solution. Additionally, a team grounded in global research – one that understands national differences and regulatory environments, and has the ability to communicate across different cultures – is essential in identifying HR policies that need adjustment and providing on-going documentation as key decisions are made.

The key elements to successful global HR process design include:

- Developing global process design principles.
- Focusing process design sessions on what is possible at the global level.
- Involving your key stakeholders in design and validation steps.
- Using prototype processes as early in the project as possible to gain rapid buy-in and commence knowledge transfer.

Acknowledge what is absolutely necessary: change management

Many companies have learned the hard way that, without the strategic underpinnings for an HRIS deployment, the technology itself does not deliver. You need an implementation partner with an integrated talent management approach: best-in-class technology plus proven talent management strategy and design.

Simply stated, HR itself often presents the biggest resistance to change, and having an HR implementation partner lead the effort can smooth the way and make the transition easier. Well-designed change management techniques build understanding, buy-in, acceptance and internal ownership for the process changes, roles and responsibilities that accompany a transition to Workday. Your implementation partner should:

- Hold change sessions that support work and output from the design workshops.
- Allow time for face-to-face meetings with stakeholders.
- Obtain end-user input.
- Communicate early and often.
- Execute a proven change strategy through a variety of media, activities and interventions that reach across the demographics.
- Develop supporting training materials.

“Towers Watson has harnessed its global capabilities in Workday implementations, HR industry research and proven methodologies incorporating lessons learned to provide this perspective.”

Your implementation partner should fit your business like a glove

Executing an integrated strategic approach requires well-thought-out planning, process redesign and deployment of industry-leading technology solutions supported by effective communication and change management activities. As you will be the owner of your Workday application, you need an implementation team that works side by side with you throughout all the stages to ensure that you will be able to manage Workday from the day it goes-live.

Look for a provider with:

- A proven track record helping organisations implement Workday globally.
- A long-standing, strategic relationship with Workday.
- HR domain expertise on a global level.
- A qualified and experienced implementation team.
- An approach that integrates all the critical implementation components – technology, process design, programme management, HR service delivery model, change management and job architecture design.
- A highly collaborative, flexible and responsive partnering style that complements your culture, gets things done, and compromises or draws the line appropriately.

Choosing the right implementation partner for your Workday installation has major implications for business value, the cost of doing HR work and meeting your organisation-specific goals. By itself, the best technology in the world cannot create a cohesive people management process. To ensure a successful transition, maximise your return on investment and help create positive bottom-line results, select an implementation partner with global reach, a strategic HR perspective, a robust understanding of data conversion and security implications, and an absolute dedication to process detail. Excellent process consulting can be the key to achieving efficient and effective people management, data accessibility, workforce planning, and, ultimately, can position your organisation for agility and competitiveness in today's environment.

Towers Watson approaches Workday implementations holistically. We utilise our HR transformation thought leadership, our global research and our experiences to enhance project success. Our goal is to share our experience and knowledge of successful implementations with you. This enables you to learn through the implementation experience and feel enabled to continually evolve the Workday solution with your business and the ever changing environment we operate in. Ultimately, you need to choose an implementation partner that meets your expectations, fits with your culture and has the experience to ensure your success.

About Towers Watson

Towers Watson is a globally recognised leader in HR transformation with necessary experience in the successful global deployment of Workday. We are a highly collaborative team that brings deep HR expertise, leveraging a proven project approach and assembly of best practice tools incorporating lessons learned to successfully implement Workday to achieve your objectives. Towers Watson's consultants are HR transformation specialists who understand strategy, HR service delivery, global design as well as being experts in Workday.

Towers Watson has offered Workday services since 2008. We have been involved in multiple Workday projects offering implementation, programme management, change management and communications, organisational readiness and HR service delivery services to many global clients.

To ensure you get maximum results, we complement Workday's own deployment methodology with our firm's specialist HR industry knowledge, our pre-built best practice tools and in-depth experience to help you achieve successful programme delivery.

About Towers Watson

Towers Watson is a leading global professional services company that helps organisations improve performance through effective people, risk and financial management. With more than 14,000 associates around the world, we offer consulting, technology and solutions in the areas of benefits, talent management, rewards, and risk and capital management.

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