

NET(net): HCM Practice

Human Capital Management

<http://optimize.netnetweb.com/hcm-programs>

Americas, EMEA, APAC
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HCM: Questions to Answer

- Looking for alternatives to your current provider(s) of HR and Human Capital Management solutions?
- Do you have an agreement coming due and want to know what your options are?
- Have you thoroughly vetted all possible supplier candidates or need help finding new one's?
- Do you know what the market pricing is for ERP and HR/HCM options?
- Do you understand the myriad ways HCM solutions can be purchased?
- Do you understand the types of offerings in the market, from software only to fully serviced, and everything in between?
- Need help getting through the layers of features and licenses?
- Do you have a strategy for introducing chatbots and AI into your workforce or are you simply depending on the promises of the supplier that these things 'implement themselves'?
- Are you aware of the fact that just because you're looking for an HCM solution doesn't mean you have to change what you do for Payroll? Or maybe it does.....
- Is there a plan in place to measure and track ROI and hold your supplier accountable?

HCM: Risk Factors

With the multitude of growing choices for suppliers and offerings, how do you know you're getting the right product at the right price, without getting 'locked in' to terms and conditions that seemed right today, but can crush you tomorrow?

- **Choice:** The time to get a deal right, particularly for a cloud solution, is before you even issue an RFP! The data you present to a supplier will box you into a specific solution set and, even worse, may expose metrics that will result in you overpaying for what you purchase.
- **Discounts:** Once you're in an agreement, particularly a subscription agreement, you have set your investment 'floor' for life. Don't expect to get 'good loyal customer' discounts with subsequent renewals. Get the investment structure right *before you purchase*.
- **Implementation:** If you don't know what your implementation strategy is before you enter into an agreement, suppliers will immediately gravitate towards 'big bang' and present licensing models to support that approach.
- **Hype:** Every supplier says they're the best, most innovative, have everything you need in a 'one stop shop', know what the 'millennial workforce' wants, will reduce your turnover, improve productivity and so much more! Don't fall for the hype! Most providers in the market focus on these areas, but often it's the 'disruptors' who are leading innovation.

HOW DO WE HELP?

These business transactions are extremely complex and if you don't have the empirical expertise and know-how, you can leave a lot of money on the table.

Find Value

- We help you by leveraging NET(net)'s insider market knowledge from 25k deals executed around the world with hundreds of suppliers. We help review and select the best HCM supplier for your requirements.

Get Value

- NET(net) will utilize its FMI (Federated Market Intelligence) to optimize your deployments and pricing, then negotiate with suppliers to ensure you get it.

Keep Value

- Once you've executed with supplier, NET(net) is here to make sure you keep the envisioned value of the agreement, investment and relationship throughout the term utilizing proactive management via our WIN(win) SaaS platform

On average, NET(net) helps its clients reduce costs by over 33% while concurrently helping you:

- Mitigate Risk
- Improve Quality
- Maximize Agility
- Govern Compliance
- Strengthen Contractual Agreements
- Building a Better, More Strategic Partnership with ERP

We can help you too.

Case Study #1 – HCM RFP

About the Client: Our client is a multi-billion-dollar global entity with operations and business units around the world. They are a critical supplier to the US Government for engineering and logistical services, as well as cyber security and high-performance computing. Employing over seven thousand workers, HCM is a critical function of managing their global workforce.

Situation: Client provided NET (net) insight into its operations, current usage of HR and Payroll solutions and its future roadmap as well as the history of its efforts to solicit suppliers to support its business objectives. Key to this background information was gaining an understanding of client's existing investments in two existing suppliers as this existing footprint would have an impact on negotiation strategy.

Case Study #1 – HCM RFP

Scope: The scope of the engagement was to provide consulting and advisory support services to assist in selecting a Human Capital Management System (HCM) provider and additional support in contracting with the selected software solution. In addition, NET(net) supported the selection of a consulting partner to support the implementation efforts and led the negotiation of an agreement with the selected supplier.

The engagement phases:

- Phase 1 – Identify: Evaluation, selection, and negotiation process
- Phase 2 – Advisory: Facilitate Supplier Solicitation (RFP)
- Phase 3 – Optimization & Negotiation: Agreements

Case Study #1 – HCM RFP

NET(net) worked in cooperation with client to optimize its HCM related investments in the context to its overall related goals, objectives, and organizational requirements by:

- Identifying the appropriate evaluation, selection, and negotiation process
- Identifying the appropriate contractual terms, conditions, and contract vehicles
- Optimizing the configuration of the solution as appropriate
- Engaging and negotiating with three HCM suppliers to achieve the desired results

Case Study #1 – HCM RFP

Results:

Utilizing NET(net)'s proprietary Sourcing Platform, WIN(win), a full contingent of supplier solutions were evaluated against a substantial list of client requirements. After several rounds of meetings and Q&A sessions with all suppliers, client decided on the one that best met their existing and future needs.

Once the decision was reached, NET(net) executed Phase 2 of the project which was the Optimization and Negotiation of the proposed agreement. NET(net) led the development and review of all MSA's, SOW's and SLA's, and well as the negotiations right up to signature. In the end NET(net) achieved substantial savings, as well as negotiating several favorable terms and conditions specific to client situation.

Approximately 1 year after this project was completed, the client company was acquired by a substantially larger company that had an existing HCM platform and a mid-term agreement of a component product that overlapped with the acquired company. NET(net) successfully negotiated a new agreement for the combined company that utilized the combined volume to further improve the cost basis and terminate the existing, mid-term, agreement.

Commercial Results:

- Baseline: \$4,451,047
- Executed Agreement: \$2,790,160
- **NET(net) Savings: \$1,660,887**



Case Study #2: Workday

About the Client:

This client is a global software enterprise with locations and subsidiaries around the world, comprised of over 4k employees.

Situation:

Client was coming due with a substantial renewal and in need of additional products and services to facilitate growth and new acquisitions. Goal was to ensure that the renewal and incremental products were priced at optimal market rates, and terms were favorable to client's future needs and considerations.

Case Study #2 Workday

Scope: The scope of the engagement was to provide Advisory, Optimization and Negotiation Professional Services for the Workday renewal.

The engagement phases:

- Phase 1 – Advisory: Analyze current agreement and future requirements
- Phase 2 – Optimization: Develop requirements, establish benchmark
- Phase 3 – Negotiation: Devise strategy and execute on plan

Case Study #2 Workday

NET(net) executed the strategy to:

- Analyze HCM environment to right size deployment and benchmark to the market
- Identifying the appropriate contractual terms, conditions, and contract vehicles
- Optimizing the configuration of the solution as appropriate, as well as terms and conditions for new agreement
- Negotiate with Workday to execute on agreed strategy and achieve optimal results based on identified goals and objectives

Case Study #2 Workday

Results:

- NET(net) achieved gross savings of 17%, and an ROI of 525%
- Additional modules acquired at a substantial discount over previous agreement's provisions
- NET(net) worked with Workday to make available programs that would provide for no charge consulting services delivered by Workday at the client's convenience when they were ready to implement new products
- Workday committed its own implementation group thereby saving on 3rd party costs
- NET(net) negotiated the removal of Workday's new standard annual price increase

Commercial Results:

- Baseline: \$9,200,000
- Executed Agreement: \$7,600,000
- **NET(net) Savings: \$1,600,000**

