BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

        Complainant,

     v.

PUGET SOUND ENERGY,

        Respondent.

Docket UE-19____
Docket UG-19____

FIFTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF

MARGARET F. HOPKINS

ON BEHALF OF PUGET SOUND ENERGY

JUNE 20, 2019

<div align="center">

Transforming Our People Systems (TOPS) Project
Corporate Spending Authorization (CSA)
Application Request

</div>

Getting started:

Date Submitted:	Original Submission: 7/11/2016 ; Revision1 10/18/2017;Revision 2 6/22/18; ==Revision 3 10/24/18==
Officer Sponsor:	Marla Mellies and Margaret Hopkins
Completed By:	==(Updated by Chaim Nel)==
Phase Gate:	==Design==

I. Project Overview

Problem Statement:	Systems serving people (aka workforce) processes are inefficient and ineffective. • Challenges with attracting and hiring candidates—process and site hard to use. Frequent candidate complaints and application drop offs • Simple reporting is hard to get out of SAP and/or requires significant manual work • Rigid, broken, inaccurate data in compliance reports • Self-service functionality is limited, cumbersome and confusing to managers and employees • Disjointed systems don't talk to each other • No mobile capability SAP On-Premise eRecruiting, HCM, and Payroll modules are scheduled for sunsetting by 2025 (originally stated as 2020, however recently extended by vendor).
Future Vision:	Completing people-related work activities is easy, efficient, and effective through direct and mobile access to consumer-grade people systems. Analytics inform operational and strategic decision making.
Proposed Solution:	The ideal end-state is that all services are performed on one platform. A phased implementation approach is used for a SaaS solution that includes Recruiting, Onboarding, HR, Compensation, and Talent Management processes. *NOTE: Learning shall remain on Cornerstone, and Payroll, Time and Attendance shall remain on SAP On-Premise until a long term strategy is identified and systems mature to meet the needs of these functional areas.
Alternatives Evaluated:	Cornerstone SAP SuccessFactors Workday
Primary ISP Alignment:	**Processes & Tools**
Type of Project:	**Risk Mitigation**
OCM Considerations:	Impacted Users (Internal):

☐< 100   ☐< 500   ☒> 500

Impacted Customers (External):

☒None   ☐< 100K Electric or < 1K Gas   ☐> 100K Electric or >1K Gas

Internal Organizational Impact:

☐1 Dept or less   ☐2-5 Dept   ☒> 5 Dept / Business Platform / Enterprise

| Project Complexity & Duration: | ☐Straightforward, well understood | ☐ < 6 months |
| | ☒Complex and well understood | ☐< 12 months |
| | ☐Complex and not well articulated | ☒> 12 months |

II. Phase Gate Change Summary

Scope:
Deferring the plan to implement a new Learning Management System, since the current maturity of both SAP SuccessFactors and Workday is not to the level of functionality that Cornerstone currently provides.

Deferring the plan to implement new Payroll and Time and Attendance solutions, because the current on-premise solutions are stable and the long-term strategy for Payroll processing has not yet been determined.

Content that informs the phases of the implementation, was not captured prior to the start of the project. Activities include as-is process identification and documentation, data usage analysis, quality assessment and remediation, and creation of a stakeholder analysis.

The implementation of the new SaaS solution with new, innovative and leading practice processes will require development of new processes and related OCM activities. Completion of these activities are now within the scope of this project.

The sustainment model for the SaaS solution will shift significant ownership of configuration and troubleshooting to the business from than the SAP IT Applications team. The planning and implementation of the processes, procedures, tools, and organization change are now included within the scope of this project.

Defining and implementing a data governance structure in consideration of GTZ Data Management project outcomes is included to provide the guardrails, so data is accurate, consistent, complete, available, and secure.

Effort to decommission replaced systems is acknowledged. Updating the disaster recovery and availability plans given the movement from on-premise to a hosted model will also be completed.

Additionally the decision was also made to divide the project into two separate SOW's. We have completed SOW 1 on schedule and budget and also refined the scope to stay within allocated busdget.

SOW 1: Perform the Process review of Employee Central and Recruiting/Onboarding and the detailed design phase of Employee Central. Review HR data in current SAP environment to ensure uniformity and mitigate risk to SuccessFactor from currunt SAP HR environment. Detailed Scope review of the full project ahead to ensure we stay on budget and schedule but still deliver on our ROI. The TOPS team completed this phase and also passed the Phase gate review with all deliverables complete and signed of on time and within budget.

SOW 2: Employee Central continue, Service center, Recruiting/Onboarding, PMGM/CPM and Succession/CDP, Compensation/Var Pay, Workforce Analytics, Workforce Planning, Sodales Labor relations/Job Bidding.

Budget:
Amended to include Executive approved funding increase of $2,297,330 for additional internal capital costs.

Schedule:
No new technology will be deployed in 2018. The RFP for the SaaS Vendor was delayed due to extensive vetting of the final two vendors. SAP SuccessFactors aligns better with the IT roadmap to stay on course with SAP, while Workday delivers a better end-to-end user experience. Final recommendation and approval to move forward with SAP SuccessFactors was decided on 8/23/2017.

Additionally, foundational work in preparation of a people systems vision and strategy, process innovation, data governance, system implementation, organizational change management, and business-owned sustainment model and organization needs to be completed as input to the implementation content.

The project will start off with a waterfall methodology and then transition to an Agile methodology for all the functional streams. Multiple planning, design, execute and close out phases will be performed for the duration of the project.

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Risk Profile:

ID	Risk Title	Q3 - 17			Q4 - 17			Q1 - 18		
		Impact	Probability	Severity	Impact	Probability	Severity	Impact	Probability	Severity
1	Low user adoption	3	1	3	1	1	1	3	1	3
2	Scope changes	3	1	3	3	1	3	9	1	9
3	Schedule delay	3	9	27	3	9	27	3	9	27
4	Resource constraints	9	3	27	9	3	27	9	3	27
5	Budget is insufficient	9	9	81	9	9	81	9	9	81
				141			139			147

Impact * Probability = Severity
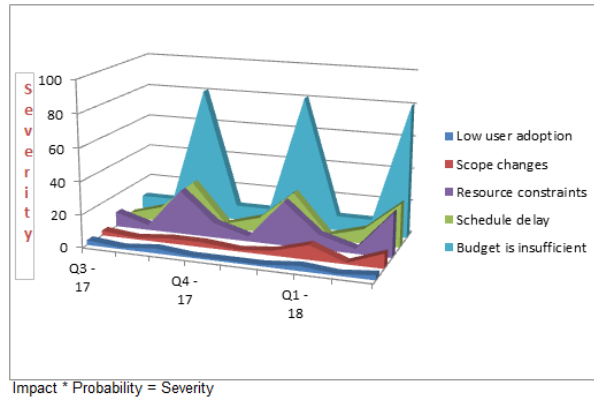
III. Key Schedule and Financial Information

Proposed Budget Year(s):	Original: 2018-2019 Also to add 2 months in 2020
Expected In-Service Date:	May 2019 – February 2020
Initial Estimate:	Capital: $14,36M (Approved November 2017)

Cost Estimate Maturity Score:

Score: **Class 4 - Concept Evaluation / Preliminary Budget**

Cost Estimation Classification Document: Click Here to access on the TOPS SharePoint Site

Updated Estimate for Total Project Cost: 2018 to 2019 – Updated after design Phase and SOW 1

Phase Name: Design	Estimates for 2018 amd 2019			
Cost Type	Capital	OMRC	Opex	Total for 2018 - 2019
Cost (without contingency)	$ 10,531,171	$ -	$ 555,209	$ 11,086,380
Subscription Costs	$ 1,478,012		$ 534,118	$ 2,012,130
Contingency	$ 1,679,596	$ -	$0	$ 1,679,596
FY18-FY19 Total Costs	$ 13,688,779	$ -	$ 1,089,327	$14,778,106
TOTAL ANNUAL CASH BENEFITS	$	IF APPLICABLE		
PAYBACK IN YEARS (auto-calculated)	n/a	IF APPLICABLE		
Capital budget for 2018&19	$14,362,908			

Overall Updated Estimate for Total Project Cost:

2017 Effort	750,000
2018 Actuals through August	1,801,333
2018-2020 Estimated Cost to Complete Project	12,976,772
Total Project Cost Estimate	$ 15,528,106

Estimated Five Year Allocation: <mark>Updated Version after design phase and SOW 1</mark>

TOTALS OF ALL PHASES

TOTAL COSTS	Project Costs	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Totals
Capital External (w/o contingency)	$ 8,107,682	$ 2,583,271	$ 5,246,710	277,701			$ 8,107,682
Capital Internal (w/o contingency) (PSE Internal	$ 1,973,490	$ 1,047,810	$ 798,000	$ 127,680			$ 1,973,490
Capital Data governance (w/o contingency)	$ 450,000		$ 450,000				$ 450,000
OM Subscription Services (plus sales tax)			$ 534,118	$ 889,776	$ 889,776	$ 889,776	$ 3,203,446
O&M Data governance (w/o contingency)			$ 540,909				$ 540,909
Capital Subscription Services (plus sales tax)	$ 1,478,012	$ 845,999	$ 632,013				$ 1,478,012
Opex (Sustain)			$ 14,300	$ 259,300	$ 259,300	$ 259,300	$ 792,200
Cash O&M Benefits			$ (65,983)	$ (236,365)	$ (326,365)	$ (326,365)	$ (955,078)
ALL PHASE SUBTOTAL	$ 12,009,183	$ 4,477,079	$ 8,150,068	$ 1,318,092	$ 822,711	$ 822,711	$ 15,590,661
ALL PHASE CONTINGENCY	$ 1,679,596	$ 639,432	$ 986,508	$ 53,655			$ 1,679,596
FY18-FY19 TOTAL PROJECT COST (with cont. and without Prior Planning Costs of $639,444)	$ 13,688,779	$ 5,116,511	$ 9,136,576	$ 1,371,747	$ 822,711	$ 822,711	$ 17,270,256
FY17 PRIOR PLANNING COSTS	$ 750,000						$ 750,000
GRAND TOTAL All PHASES	$ 14,438,779						$ 18,020,256

Cash Benefits by Department:

<mark>*This to be finalized and updated during the build and execute phase currently ongoing.*</mark>

Department Name	Year 1	Year 2	Year 3	Year 4	Year 5
Enter Department Name	0,000	0,000	0,000	0,000	0,000
Enter Department Name	0,000	0,000	0,000	0,000	0,000

Ongoing Annual O&M by Department: (e.g., maintenance, FTEs, cloud storage, etc.)

No incremental costs for people resources. <mark>The table shows existing costs and adjustments after an extensive review with HR and IT. This table includes Training and Document Management solutions.</mark>

New Table as 10/4/2018								
On-Going O&M	Department	2019	2020	2021	2022	2023	Total	Notes
SAP SF License	Shared Services	$ 345,000	$ 593,000	$ 593,000	$ 593,000	$ 593,000	$ 2,717,000	License plus contingent resources. Doesn't inlcude the apps that have not been purchased yet.
Sodales Apps	Shared Services	$ 32,000	$ 56,000	$ 56,000	$ 56,000	$ 56,000	$ 256,000	
Document Management	Shared Services	$ 106,668	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 746,668	PeopleDoc(Will cover Document Management, Case Management and Knowledge base)
Training Tool	Shared Services	$ 50,450	$ 80,776	$ 80,776	$ 80,776	$ 80,776	$ 373,554	EnableNow SaaS solution cost
HR Receipt of headcount	HR		$ 114,400	$ 114,400	$ 114,400	$ 114,400	$ 457,600	1 Headcount Transfer from IT and 1 additional HR headcount
Release Management	Infra		$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 72,000	Vendor / FTE approximately 10 FTE hours a month.
Testing	Shared Services		$ 30,600	$ 30,600	$ 30,600	$ 30,600	$ 122,400	Testing FTE approx 15% 271 hours (assumption is test in 2019 will focus on capital work)
IT Apps ESS/MSS	IT Applications		$ 28,600	$ 28,600	$ 28,600	$ 28,600	$ 114,400	
IT Apps Mobility / MDM	IT Applications		$ 28,600	$ 28,600	$ 28,600	$ 28,600	$ 114,400	IT apps .25 FTE Mobility/MDM (Airwatch)
IT Infra Support	Infra	$ 14,300	$ 28,600	$ 28,600	$ 28,600	$ 28,600	$ 128,700	.15 IT Infra Support
OCM	EPP		$ 10,500	$ 10,500	$ 10,500	$ 10,500	$ 42,000	OCM 140 hours 50% of the time (Assisting with OCM of new SaaS updates)
TOTAL ONGOING O&M COSTS		$ 548,418	$ 1,149,076	$ 1,149,076	$ 1,149,076	$ 1,149,076	$ 5,144,722	
Uperform Reduction	Shared Services	$ (40,000)	$ (40,000)	$ (40,000)	$ (40,000)	$ (40,000)	$ (200,000)	
Prompt Pay Licensing	HR		$ (50,000)	$ (50,000)	$ (50,000)	$ (50,000)	$ (200,000)	Per Tim Foley cannot take reduction until 2020
SAP License Fee Adjustment (Erec etc)	Shared Services	$ (5,983)	$ (11,965)	$ (11,965)	$ (11,965)	$ (11,965)	$ (53,843)	Per Tim Foley can only take 50% in 2019
ECC Service Center (Case Management) R	Shared Services	$ (20,000)	$ (20,000)	$ (20,000)	$ (20,000)	$ (20,000)	$ (100,000)	If move out of SF Service Center there would be a reduction credit on SF Contract?
IT headcount Transfer to HR	IT		$ (114,400)	$ (114,400)	$ (114,400)	$ (114,400)	$ (457,600)	1 Headcount Transfer to HR
Cornerstone Reduction	Shared Services			$ (90,000)	$ (90,000)	$ (90,000)	$ (270,000)	Reduction based on only renewing for the LMS portion.
TOTAL OFFSETS		$ (65,983)	$ (236,365)	$ (326,365)	$ (326,365)	$ (326,365)	$ (1,281,443)	
Total		$ 482,436	$ 912,711	$ 822,711	$ 822,711	$ 822,711	$ 3,863,280	

Non-Cash Benefits / Future Cost Avoidance:

- Baseline process execution metrics are being gathered in order to quantify the benefits realized by improved efficiencies using the new SaaS solution.
- Appendix A includes *potential quantitative benefits* as determined by SAP during the original CSA development activities, using available PSE data and bench mark data. Specific targets to be developed based on the baseline value during the Execute Phase.
- Appendix B provides a high level gap analysis of current pain points and solution enablers for consideration as further qualitative data points.

Cash on Cash Single Payback:

Insert the % of Cash on Cash payback expected with this project. This is the ratio of cash return to the total cash investment.

<mark>*This to be finalized and updated during the build and execute phase currently ongoing.*</mark>

IV. Project Description and Objectives

Project
Description:

1. Select and implement a SaaS suite to facilitate and manage processes related to the people of PSE. This workforce experience will mirror consumer experience expectations; meaning, this direct access experience will incorporate knowledge, collaboration, analytics, and transactional workflow design thinking principles.

2. Innovate and communicate end-to-end business processes in a manner that not only seeks to achieve maximum adoption but rather addiction.

3. Implement a product and process sustainment strategy, model, and tools.

4. Decommission legacy systems.

5. Publish a People Systems disaster recovery and availability strategy and plan.

6. Cross-Organizational Project Alignments:

   a. Align with the Business Technology Solutions effort in the defining of:

      i. Vision of making it easy for employees to get things done

      ii. Digital Roadmap, which will be a plan to increase the digital maturity of People Systems that supports the business strategy and delivers customer satisfaction.

   b. GTZ/IWM to assess workforce planning and management, time entry and management, worker demographics and skills profiles are shared appropriately.

   c. GTZ/Data Management

   d. Be Excellent Enterprise Onboarding assessment

   e. Call Center Workforce Management – SAP Aspect (Empower)

   f. Data Centers Move

   g. PSE@Work / dispersed work teams

   h. FTIP 2.0

   i. Any other enterprise initiatives in-flight or planned.

ISP Alignment:

ISP Objectives, Mandatory and/or Corporate Risk	Strategy *Abbreviated **ISP strategy descriptions***	Benefit Description *Benefit, measurement and/or scorecard affected*
Financial	☐ Five-Year Strategic Plan ☒ Maximize long-term value ☐ Grow core business ☐ Grow new business	Simplify the application portfolio Reduce dependencies on IT resources Leverage lower maintenance SaaS technology Enable mobile workforce
Customer	☐ Execute the Customer Experience Intent Statement ☐ Recognition of PSE role in community ☐ Customer preparedness & safety ☐ Ideal customer behaviors ☐ Listen & dialogue with customers	
Process and Tools	☒ Streamline processes to drive effectiveness and efficiency ☐ System reliability and integrity ☐ Safety and security of systems, information and assets ☒ Extract and leverage value from existing technology and assets ☒ Optimize product/service portfolio consistent with long-term strategy	Simplify people processes to improve operational efficiency and workforce insight Increase productivity for managers and employees Reduce errors and manual work arounds Provide actionable data and metrics Ensure compliance, and mitigate risks
People	☒ Develop/Retain best employees ☒ Ownership, innovation and continuous improvement	Attract and hire the right talent faster Guide and connect new hires and get them productive faster Align and track employee activities & achievements Identify and develop the talent needed to improve organizational strength and achieve business goals Develop and educate employees, partners, customers and suppliers to drive compliance and workforce readiness Increase overall employee morale, GPTW scores
Safety	☐ Educate and train employees on effective safety and wellness strategies	

Project Objectives and Deliverables:
*OCM and Process work may identify KPIs

Objective	Outcomes / Deliverables	KPIs – Describe; Indicated Leading/Lagging	KPI Data Sources
Replace SAP HCM Core HR functionality with SaaS solution	Outcome: Increased productivity, reduced manual workarounds; increased employee engagement; solid people data foundation that is flexible and continuously evolving Deliverables: Direct and mobile access to transactions and dashboards for completion of people processes: recruit, onboard, promote, transfer, change and terminate.	No current metrics available; mobile access for people processes does not exist today	
Replace PromptPayPlanner with aligned HRIS solution compensation functionality	Outcome: Better strategic decision making, reduction of redundant processing and auditing, reduction of manual calculations. Deliverables: Direct and mobile access to compensation planning tool for leaders.	No current metrics available	
Replace SAP eRecruiting with aligned HRIS solution recruiting and onboarding functionality	Outcome: Increased attractiveness of PSE as an employer of choice; enhanced candidate application and onboarding experience; streamlined and intuitive recruiting tool for leaders; shifting recruiter focus from administrative tasks and training to finding the best talent for PSE Deliverable: Recruiting workflow including job posting and marketing tools; web-based onboarding workflow to partner with asset allocation process and new employee orientation	No current metrics available	
Replace Cornerstone with aligned HRIS solution for performance, goals, development and succession functionality	Outcome: Provide clear goal transparency while reducing HR and manager entry time; enhancing ability to provide timely feedback; better align performance and rewards; provide visibility to internal talent; provide succession tools for enable building of talent pipeline for leadership positions Deliverables: Performance/goals, development and succession workflows following best practices	No current metrics available	
Deliver Operational Reports and Workforce Analytics	Outcome: Better strategic decision making; more timely availability of key data/metrics; reporting / data consistency Deliverables: Standard reports and dashboards with direct access based on end-user authorizations	No current metrics available	
Implement a Service Delivery Model for the HRIS to support the SaaS solution	Outcomes: Reduced dependency on IT for application support; lower maintenance costs; prioritized effort on people systems for enhancements and refinements; agility to be able to quickly change or enhance processes when needed; transparency of system capabilities for business users Deliverables: Business administrators manage and complete system configuration and release deployment cycles; Organizational Design, Processes, Procedures, Tools	No current metrics available	
Leverage standard integrations to third party administrators and internal systems	Outcomes: Reliable, transparent and well documented system integrations Deliverables: System maps for all integrations; testing plans for release cycle	No current metrics available	

| Objective	Outcomes / Deliverables	KPIs – Describe; Indicated Leading/Lagging	KPI Data Sources
Partner with System Implementor to transform business processes leveraging best practices	Outcomes: Simplified, intuitive processes; automation for error proofing and consistency; streamlining data flows; elimination of duplicative and manual work; improving data governance and integrity; efficiency and effectiveness Deliverables: Configured workflows designed from user perspective	No current metrics available	
Successful OCM effort	Outcomes: Acceptance of the new system by users; users have access to training and just in time aids; direct access is intuitive and easy to use Deliverables: End user personas, stakeholder analysis, specific communication and training plans and materials	No current metrics available	

Project Alternatives Assessment:

Alternative	Pros	Cons	Cost	Duration
One End-to-End Suite for HR, Talent, Timekeeping and Payroll	Common user experience for employees and managers, unified workflows, reduced maintenance	Solution availability / maturity levels	High	High
Limit scope to Core HR, Recruiting, Compensation and Talent Management (minus LMS, payroll, timekeeping)	Easier implementation and adoption, reduced learning curve	Different user experience, slower overall adoption, slower realization of unified workflows	Medium	Medium
Maintain current systems & hire additional staff to help with questions, processing	Quickest to implement	No improvement to user experience, continuing lost productivity, significant delay in improving business processes, overhead/non-value added option	Low	Low

V. Risk Management

Risk Register: [Click Here to access the TOPS SharePoint Site's Risk/Issues Log](#)

VI. High Level Schedule
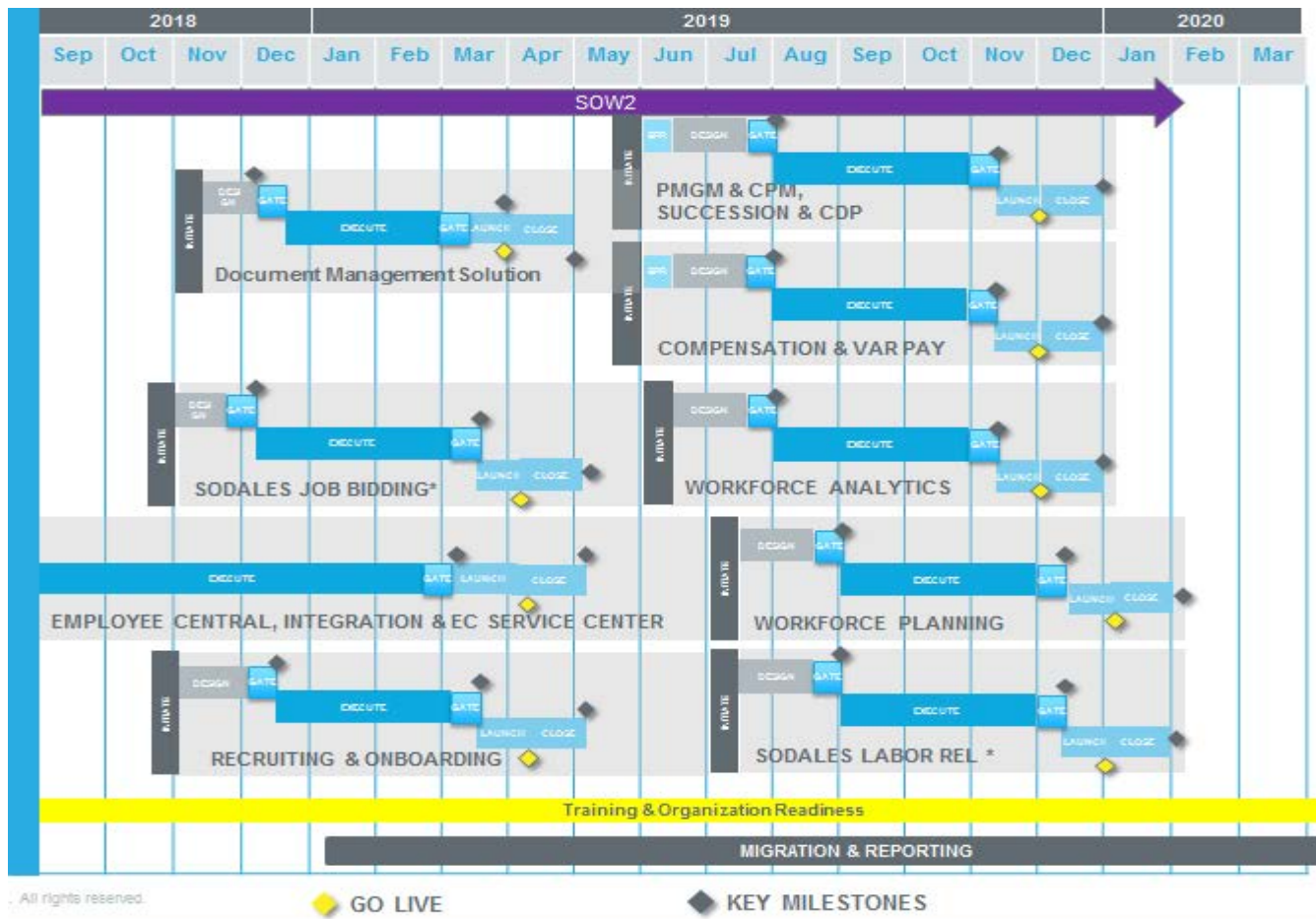
VII. Supporting Documentation

Cost Estimating and Budget:	Click Here for Cost Estimating and budget file
Benefits Realization Plan:	Click Here for Initial Draft Benefits Realization Plan
Project Audit Checklist:	Click Here for the IT Project Audit Checklist (Note: This CSA is being submitted prior to the planning phase completion.)
OCM Sizing Worksheet:	Click Here for the OCM Sizing Worksheet
Project Scope Statement:	Click Here for the Project Scope Statement

VIII. Design Phase Completion CSA Approvals: *Add/remove rows as applicable.*

I. Prepared By	Title	Role	Date	Signature
Charisse Berni	Mgr HR Ops & Compliance	Business Manager		
Cindy Oliveto	Mgr BTS	IT Business Partner		
Chaim Nel	IT PMO PM	Project Manager		

Approved By	Title	Role	Date	Signature
Marla Mellies	Sr VP & CAO	Exec Sponsor	10/25/18	*Marla D Mellies*
Margaret Hopkins	VP & CIO	Exec Sponsor		
Kimberly Collier	Dir HR	Dir Sponsor		
Thomas Hunt	Dir Comp & Benefits	Dir Sponsor		
Brian Fellon	Dir IT App Svcs	Dir Sponsor		
Matthew Marcelia	Dir of Tax and Finance IT Projects	Dir Sponsor		

Acknowledgements	Title	Role	Date	Signature
Tim Foley	Mgr IT SAP Apps	IT Mgr Sponsor		
Amit Rastogi	Mgr SAP	IT Manager		

Benefit Owners must be added to the Approved By section during Execution Phase/Gate.

Appendix A: Measurable Benefits – POTENTIAL – <mark>Will be confirmed before going live with Employee Central in May 2019</mark>

The following table demonstrates *potential quantitative benefits* as determined by SAP SuccessFactors using available PSE data and benchmark data. Specific targets to be developed based on the baseline value during the Planning Phase.

Benefit	Metric	Metric Type	Benefit Description	Benefit Type	Benefit Owner	Baseline	Target
Reduce Cost of Error Correction/ Investigation	# of Data Corrections	Quantitative	Reduce the number of data records that need to be research and corrected based on bad data	Direct	PSE	Immediate and on-going following implementation of Employee Central	365 days
Reduce Localization Cost (one time)	Cost of Research/Consulting for State/Country compliance	Quantitative	Elimination of either internal or external expense to support localization expense for Core or Payroll compliance	Direct	PSE	64 - 72,000 is the baseline based on PSE footprint	One Time Annual Savings
Reduce Localization Cost (recurring)	Cost of Research/Consulting for State/Country compliance	Quantitative	Elimination of either internal or external expense to support localization expense for Core or Payroll compliance	Direct	PSE	Base is generally 2 changes per state/country for Core and 5 changes for payroll	23.7 – 47.3 annual savings
Reduce Manual Transaction Effort	HR Time Spent on manual Transactions versus system generated	Quantitative	Reduce % of HR Time on manual transactions	Direct	PSE	20% of HR Time	14 – 18% improvement
Reduce HR Compliance Cost	External Spend pertaining to Tools, Licenses, Outsourced services, Consulting, etc.	Quantitative	Reduction in external spend	Direct	PSE	1 Fully Loaded Employee Expense	40 – 50% improvement
Improve HR Reporting and Analytics Capability	HR Time spent on Reporting Analytics	Quantitative	Reduction in HR time spent creating reports	Direct	PSE	1 Fully Loaded HR expense (times number of HR People)	20 – 30% improvement
Reduce HR Transactions via Employee Interaction Center (Enhanced Employee Self Service)	Reduction in transaction done by employee in the Service Center	Quantitative	Reduction in FTE spent on processing transactions	Direct	PSE	Transactions Via PSE Service Center (in %) X Total Transactions X Cost per Transaction Via Service Center+ Transactions Via ESS (in %) X Total Transactions X Cost per Transaction Via ESS	20 – 26% improvement
Reduce Manager Time on Employee Administration (Enhanced Manager Self Service)	Manager Time	Quantitative	Reduction in Manager Time	Direct	PSE	Manager cost proportionate to the time spent on administrative activities.	2 – 3% reduction in time spent
Improve Time to Full Productivity for New Hires	Productivity of New Hire	Quantitative	Improvement in Ramp Up Time	Direct	PSE	Cost of lost productivity during ramp-up of new recruits.	15 – 23% reduction in time to fill productivity
Reduce Time to Fill New Positions	Time to Fill	Quantitative	Reduction in Time to Fill open Positions	Direct	PSE	Time to Hire (in days) X Productivity Cost of a Critical Position Vacancy (Daily Rate) X Hard to Fill Positions: the Daily Rate of a Critical Position Vacancy is estimated as Cost of a Critical Position Vacancy / 365 where the Cost of a Critical Position Vacancy is 150% of the Avg. Employee Salary	2 – 3% improvement

Reduce Manager Time on Talent Administration	Manager Time	Quantitative	Reduced Time on Performance Management, Goal Management and Compensation Management	Direct	PSE	Managers baseline on PM/GM is 4 hours and Compensation is 1 hour per employee	Manager typically save between .5 – 2.5 hours per employee annually
Reduce HR Time on Talen Administration	HR Time	Quantitative	Reduced Time on Performance Management, Goal Management and Compensation Management	Direct	PSE	HR Baseline on PM/GM is .5 and Compensation is .2 hours per employee	HR typically saves between .2 and .7 hours per employee annually
Increase Recruiter Efficiency	Recruiting Headcount	Quantitative	Reduction in Recruiting FTE based on productivity improvements	Direct	PSE	Headcount cost related to the Recruitment function.	25 – 33% reduction in FTE required
Reduce HR Admin Time on Onboarding Activities	HR Administrator Time	Quantitative	Reduction in HR Administrator time spent processing each new hire	Direct	PSE	HR Administrator Annual Time Spent on Onboarding per New Hire (in hours) X Number of New Hires X Hourly HR Administrator Cost: 1) the Number of New Hires is estimated as Voluntary Turnover (in %) X the Number of Employees, 2) the Hourly HR Administrator Cost is estimated as Avg. Employee Salary / Hours worked per Year (48 work weeks * 5 days per week * 7.5 hours per day = 1800 Hours per Year)	5 – 10% reduction in time
Improve Information Gathering and Sharing Time Savings	Knowledge Worker time Spent	Quantitative	Reduction in hours	Direct	PSE	Cost related to excessive time spent on Information Gathering.	6 -8 % reduction in time spent
Increased Identification and Promotion of Internal Managerial and Critical Talent	Number of Internal Promotions	Quantitative	Increase in internal productions to fill managerial and critical talent	Direct	PSE	Manager hiring cost saved through internal promotion as against external hiring.	30 – 35% improvement of internal promotions

Appendix B – High Level Gap Analysis with Current Technology

PAIN POINTS WITH CURRENT TECHNOLOGY	NEW TECHNOLOGY SOLUTION ENABLERS
Core Human Resources and Payroll	
- Fragmented, manual processes running on non-integrated, disparate, and siloed systems lead to unnecessarily high costs in HR-IT and administration - Inability to effectively collaborate with stakeholders to roll-out programs, gather feedback, make decisions, and engage teams prevents HR from being a strategic advisor to the business - Inability to foresee or forecast the impact of potential organizational changes leads to slower adaptation to changing market conditions - Inability to integrate HR processes with core systems and external providers leads to duplicate data entry and errors and unnecessary reconciliations and delays - Inability to report on frequency and type of inquiries leads to inefficiency of shared services center (e.g. preparing level 1 specialists, solving recurring problems etc.) - Lack of a centralized employee service center increases the number of calls to HR department and negatively impacts HR productivity - Lack of automated processes for updates such as tax, state compliance, etc., causes errors and additional retro-processing - Lack of clear visibility of proposed organizational changes inhibits both a quick decision process and united execution - Lack of integrated data systems limits ability to search for comprehensive employee information - Lack of standard processes and manual work-arounds lead to low-value administrative work for HR professionals, negatively impacting availability for strategic tasks - Complex, tedious processes lead to burden on business leaders and employees.	- Consolidates core HR and payroll operations on a single platform – without disruption - Enables answers to employees' questions through the Ask HR link that presents contextually relevant information that is smart, timely, and relevant based on where they are in SuccessFactors - Enables the entire workforce to access a detailed view of the overall organization - Enables your payroll in the cloud – full support - Helps improve organizational change management through interactive organizational management processes - Integrates seamlessly with SuccessFactors Employee Central, giving you all the power and control of running in-house payroll with the reduction in costs from running on the cloud - Makes benefits a key differentiator to attract and retain talent, through faster roll-out of policies - Optimize benefits management in through partnership with Benefits enrollment vendor - Provides actionable insights into employee interactions through operational management dashboards - Reduces errors in self-service and boosts adoption through innovations such as built-in wizards, smart business rules, org charts, inline comments, audit history, and flexible workflows - Routes requests group via configurable rules that efficiently manage case assignments - Standardizes benefit offerings; enables easy adoption of local regulations - Streamlines through one solution uniquely designed for both employees and HR service delivery – HR has access to pertinent employee information, right from their agent workspace, without having to access multiple systems - Streamlines your HR transactions and processes while providing stakeholders, HR managers, and employees with a consumer-grade user experience that enables HR administration and employee self-services
Talent Management	
- Inability for new hires to find experts, engage effectively, ask questions, and get involved increases onboarding timeframes and reduces onboarding effectiveness - Inability to create a total compensation statement limits employees' visibility into their personal compensation - Inability to identify top talent results in stalled productivity of critical roles - Inability to integrate relevant HR data with compensation process (e.g. performance ratings) leads to non-standard compensation adjustments and lower employee engagement - Inability to visualize and assess critical roles, high potential employees, and gaps between talent demand and supply negatively impacts talent management - Lack of calibration process to ensure fairness in ratings and compensation results in lower employee motivation and productivity - Lack of single internal portal for access to learning and development paths and catalogues leads to frustration and effort for employees	- Improves compliance-related trainings delivery through automated learning assignments and complete visibility into compliance training status and activities - Integrates benefits or health data and provides a total compensation statement to employees - Invites candidates to join a Talent Community - promotes openings and shares targeted messages to keep them engaged - Leverages social referral tools, extending your company's reach with viral job distribution through LinkedIn, Facebook, Twitter, and email - Manages risk using pre-built reports for discrimination and legal compliance - Measures recruiting (sourcing and hiring) effectiveness with advanced sourcing analytics, question-based reporting, employee performance metrics, and full line-of-sight analytics - Offers employees the ability to easily access meaningful content in Massive Online Open Courses (MOOCs) via SuccessFactors Open Content Network partners

PAIN POINTS WITH CURRENT TECHNOLOGY	NEW TECHNOLOGY SOLUTION ENABLERS
- Lack of specific and measurable employees goals leading to lower employee engagement and productivity - Lack of structured overview over succession plan leads to manual efforts and lack of transparency - Lack of systematic analysis capabilities leads to recruiting channel inefficiencies - Manual performance management process cannot identify the most effective use of training programs and leads to suboptimal learning and development outcomes for employees - Missing integration to external systems such as job boards, agencies etc. increases manual workload and/or limits amount of applicants	- Optimizes consistency and fairness across teams using the unique Team Rater and Team Overview capabilities - Optimizes your mobile-friendly career site, making it easy for candidates to find jobs that match their qualifications and jobs that match their friends' qualifications (social matcher) - Provides a configurable nine-box grid matrix to identify top (and bottom) performers - Provides access to a library of more than 500 SMART (specific, measurable, attainable, realistic, and timely) goals to streamline the process for managers and employees alike - Removes the burden of online content management by providing content as a service (CaaS) through SuccessFactors iContent - Simplifies the process for hiring managers using step-by-step wizards to walk through the process of how to prepare for the new hire and a dashboard to track progress along the way - Solves the "global versus local" challenge through decentralized administration that allows local HR teams to set up and administer compensation programs independently as required - Streamlines merit planning through auto-calculated increases that incorporate multiple elements like performance rating, job level, pay grade, compa-ratio, and company guidelines - Supports cascading and global merit planning through flexible budget modeling - Uses writing assistants, 360 degree reviews, and configurable review routings to turn the review process into a valuable ongoing feedback loop between managers, subordinates, and peers
Time and Attendance Management	
- Lack of ability to staff shifts leads to delayed response times/excessive overtime - Limited transparency of KPIs such as lost time, productivity, cost of absence, overtime or illness hinders optimal decision making - Manual or spreadsheet based processes for time administration, collection and corrections result in data accuracy issues and a higher instance of retroactive transactions	- Enables automation and acceleration of absence management processes – anytime, anywhere, and on any mobile device - Enables employees to access self-services or use their mobile devices to enter their time worked and view time-related information - Enables you to efficiently plan, record, and evaluate employee absences and execute on corporate, collective, and legal agreements globally by gaining greater transparency into absence management - Enables you to operate with time assignments that comply with your workforce payroll and payment requirements - Optimizes workforce management through solutions extensions from WorkForce Software, helping you automate your most complex time, scheduling and leave-management requirements with proven, global solutions