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Enterprise resource planning software has long been used by organisations to integrate their main business processes and enhance productivity. But today’s business environment has changed and continues to change dramatically. It is now more turbulent, digital, transient and interconnected. Traditional ERP solutions need to evolve to meet new needs.

Business models are no longer in a steady state. The threat of recession, increasing people and material costs are upon us and workforces, competition and supply chains are in a state of permanent flux. Organisations need to understand and adjust to these changes quickly, or risk getting left behind. They need to have the right tools in place that support agility in the workforce and help to devolve traditional ways of working.

ERP solutions offer a suite of integrated applications that provide a window into core business processes using a common database. But what are the core processes that ERP should now cover? Typically, ERP is led by processes such as accounting, payroll, procurement, risk management, compliance and supply chain operations. Whilst all these processes remain vitally important to the successful functioning of a business, they do not include the most critical factor in driving a business forward – its people.

To thrive in today’s increasingly complex and unpredictable business environment, your people need to be informed, empowered, developed and rewarded (and paid accurately and on time!). Your people should be at the centre of your ERP.
GOING BEYOND THE OPERATIONAL TO MAXIMISE VALUE

A people-focused approach takes your enterprise resource planning beyond the operational. It equips your employees with the insight, agility and control they need to drive the business forward. Featuring all the elements of a standard ERP solution, such as finance and payroll, people-focused ERP adds comprehensive people features such as recruitment, learning management, talent management and employee engagement.

In addition to its functional capability, a people-focused ERP solution featuring a layer of built-in intelligence can maximise the extraction of value from your underlying data. This matters because, without comprehensive reporting and analytics to provide your decision makers with the insight they need, your data may as well still be in siloes.

Given these requirements, this buyer’s guide takes you through the most important elements to consider when choosing an ERP platform. Making the right choice will strengthen your business resilience, improve your adaptability and increase your operational efficiency by simplifying your HR, payroll and finance processes and powering your valuable talent.
DOES THE SOLUTION ENHANCE YOUR BUSINESS DECISION MAKING?

A well-designed, people-focused ERP solution allows you to extract more value from your data, equipping you with the insights to drive better and more proactive decisions. It improves the flow and visibility of information across your business, delivering on-demand, accurate management information for critical decisions. This enables you to develop more detailed cross-functional planning to support and inform more accurate, data-driven decision making.

HOW ACCURATE AND SECURE IS THE INFORMATION?

The accuracy and security of your information is essential to both decision making and compliance. Your business platforms should protect the security of your operations and your data, ensuring that they are accurate and reliable even when accounting for complexities resulting from mergers and acquisitions, divestments and consolidation. Your ERP solution should also be able to manage the business risks associated with complex T&Cs, payroll and pensions. This enables you to ensure that your HR, payroll, and finance data is always accurate, reliable and compliant in a complex and ever-changing legislative environment.

WILL THE SOLUTION MAKE YOUR BUSINESS MORE AGILE?

Another critical success factor in today’s unpredictable environment is the ability to adapt quickly to change. A modern, cloud-based, integrated ERP platform can provide you with flexible processes and real-time data, enabling you to react quickly to – or even pre-empt – changes in your operating environment. Having HR as a central component of your ERP solution can also ensure that you have the right talent to support the business as it continues to evolve.

QUESTIONS TO ASK WHEN EVALUATING A PEOPLE-FOCUSED ERP SOLUTION
WHAT DOES A PEOPLE-FOCUSED ERP SOLUTION OFFER ABOVE A TRADITIONAL ERP?

A traditional ERP will suggest they can cover all aspects of HR, payroll and finance. To some extent they can but the approach will be driven from a finance view which means certain aspects of the HR and payroll aspects are less advanced. This can relate to areas such as employee onboarding, recruitment, talent management and aspects of payroll accuracy and real time pay modelling. The biggest users of any HR solution are your employees so putting them at the centre of what your approach, is more likely to deliver success.

WILL THE SOLUTION SUPPORT PRODUCTIVITY GAINS?

All organisations would like to be able to do more with less and in today’s climate, it’s a necessity. Now you can by streamlining inefficient, time-consuming HR, payroll and finance processes with an integrated, people-focused ERP system. Manual processes are automated, duplication of effort removed and you gain a single source of truth to avoid confusion. With the right solution, you can devolve functions of your HR and finance areas across your organisation that helps to build stronger collaboration and accelerates delivery.
KEY CAPABILITIES TO CONSIDER

For most businesses, the ideal solution is a flexible, scalable system that unites HR, payroll, finance, workflow and planning needs without the cost and complexity of many traditional ERP systems. The key capabilities to consider when evaluating an ERP solution fall into three main areas.

INTELLIGENCE OVERLAY

An intelligence layer is critical to delivering the real-time insights needed to maximise the value of your functional data and drive more informed business decisions:

**Enterprise planning capabilities** should equip you with historical context and accurate data, ensuring that your business can clearly understand what resources need to be in place to deliver against plans and to respond quickly to opportunities and threats that may arise.

**Analytics and reporting capabilities** are needed to support a strong strategic, operational and data-driven culture, delivering easy data visualisation across the business.

CORE FUNCTIONS

The main functions essential for an ERP solution are HR, payroll and finance:

**HR capabilities** should help you to nurture and develop your valuable talent, fill critical skill gaps, support development and make your employees feel valued and empowered.

**Payroll capabilities** should ensure that employees are paid accurately and on time for salary and expenses, with easy and efficient processes.

**Finance capabilities** need to deliver end-to-end visibility across your finance processes, with accurate and compliant data for robust reporting and controls.

UNDERLYING PLATFORM

The underlying platform of any ERP solution should not be forgotten as it can impact the delivery model, future scalability and the ability of your business to evolve.
CORE FUNCTIONAL CAPABILITIES

This section breaks down in more detail what you should be looking for within an ERP’s core functional capabilities to meet your specific goals.
**GOAL** | **HOW TO ACHIEVE**
--- | ---
**Nurture and develop your valuable talent** | Good performance management tools to link business mission and values to individual goals, and to ensure talent is spotted and developed. A strong learning management capability with the ability to host, manage, deliver and track employee training to achieve personal career goals and continuing professional development mechanisms for two-way communications, such as employee ‘check-ins’ to keep an open dialogue between managers and employees.

**Fill critical skill gaps** | A strong recruitment capability to ensure that you can attract and retain talent, using tools such as online job boards, candidate screening/shortlisting, role profiling, automated interview scheduling and online offers. A good on-boarding capability is particularly valuable in decreasing the time for new employees to create value.

**Make your employees feel valued and empowered** | Good recognition tools to help employees feel valued and be able to recognise others. Tools might include instant colleague feedback and endorsements, employee polls or community collaboration groups. Self-service capability is also important in allowing employees to manage their own interactions and careers.
PAYROLL CAPABILITY

A payroll solution should do more than automate processes and ensure compliance. It should also improve the way that you work. Make things simple and give you back time!

The ideal payroll solution should be fully integrated and deliver real-time processing. It should be moving towards a real time reconciliation approach that smooths your pay calculations, simplifies payroll checks, balances and controls to eliminate manual process errors, ensuring that your employees are paid consistently, correctly and on time – keeping them happy and motivated.

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<th>GOAL</th>
<th>HOW TO ACHIEVE</th>
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<tr>
<td>Pay employees accurately and on time</td>
<td>Robust payroll processing capability with end-to-end processing, automatic application of company rules, and pension scheme capture. Must be able to demonstrate legislative compliance.</td>
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<tr>
<td>Easy and efficient processes</td>
<td>Enable self-service capability for employees to access documents, track time and attendance, and manage expenses.</td>
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<tr>
<td>Have an up-to-date view of financial position</td>
<td>Continuous real-time calculations that put you in control of what pay looks like and allows you to run payroll when you want to understand the overall financial position on pay and rewards, including commissions.</td>
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**FINANCE CAPABILITY**

A good finance system should accelerate your financial operations, performance and profit. It should make things easier by running all transactional tasks such as approvals, invoicing, collections and journal entries in one place and utilise existing technology such as emails and alerts that allow people to stay in the flow of their work and allow more centralised financial operations and performance.

It needs to deliver end-to-end visibility across your finance processes, whatever the size or complexity of your business. It should provide one single source of truth for business intelligence; unify your systems; manage credit risks; remove manual intervention; and allow your teams to focus on deep insights, resulting in visibility and profitability across the business.

As well as addressing financial planning, financial reporting and operational finance to deliver efficiencies across the whole finance cycle, your system should also enable the creation of dynamic models to support your budgeting and planning processes.

Ultimately, it should deliver simplified financial consolidation, close and planning in order to improve tracking, reporting and control across business functions, driving transparency and efficiency.

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<th>GOAL</th>
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<tr>
<td>End-to-end visibility across finance processes</td>
<td>Integrated workflows for all processes from order to cash, with automatic processing and reconciliation. This should cover customer orders, purchase orders, customer and supplier invoices, payments, creditors and debtors, and cash allocation.</td>
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<tr>
<td>Accurate and compliant data</td>
<td>Account reconciliation of group accounts, multiple entries, general ledgers, currencies, inter-company trading, and consolidated group accounts. Regulatory reporting for IFRS, such as IFRS16 lease accounting.</td>
</tr>
<tr>
<td>Robust reporting and controls</td>
<td>A strong financial planning and analysis capability, including management accounts, board reports, P&amp;L, balance sheet and cashflow.</td>
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This section sets out what you should be looking for within the intelligence overlay of your ERP solution to make the most of your functional data in supporting better business decisions.

**ENTERPRISE PLANNING**

Enterprise planning should provide historical context and robust data to inform your business about likely resource requirements for the successful delivery of business plans. This enables you to respond quickly to take advantage of opportunities and mitigate against threats, delivering both resilience and adaptability.

Also, planning across financials, workforce, sales and operations, and demand and compensation can all be reported, modelled and planned.

Your enterprise planning solution should help your business transform away from a siloed approach, giving you the ability to model scenarios in order to reduce risk and cost while protecting revenues.

It also needs to deliver connected planning for financials, workforce, sales and operations. Your system should be the foundation for the data strategy across your business, regardless of systems. This supports your broader planning needs, enabling you to automatically collect, analyse and extrapolate your cross-functional data to facilitate future-looking, scenario-based approaches.
Any analytics solution is only as good as the quality of the underlying data. If you start with an ERP solution that has comprehensive people and finance data, and lay an analytics solution over the top, you can drive a more complete and insightful view of those areas.

You should be looking at how simply the solution enables you to extract, transform and load data, pulling it into meaningful visualisations quickly and in as near real-time as possible. It should easily integrate your data across business functions, and deliver a single source of truth that drives the way you work and helps you to make better decisions. The ideal solution should also enable a proactive approach within your business, ensuring that any risks, opportunities or impact on resources are identified.

The analytics and reporting capabilities you should be looking for include:

**SCENARIO MODELLING**
Using data models to build scenarios based on key factors affecting your organisation, enabling you to predict and prescribe possible outcomes.

**COST FORECASTING**
Using dynamic models that are built in line with your budgeting and planning requirements to deliver cost modelling.

**WORKFORCE PLANNING**
Proactive alerts to highlight any workforce issues that are identified from reporting on absence management, allowing you to address the impact of staff shortages.

**SALARY MODELLING**
The ability to use HR data to deliver scenario planning, budgeting and forecasting.
If you would like more information about people-focused ERP, MHR is ideally placed to help.

MHR’s One Portfolio delivers the software, processes, resource, expertise and data driven insights that address an organisation’s people and planning needs through its product, service and platform capabilities. These include HR, talent management and learning, payroll, workforce management, analytics and reporting, enterprise planning, finance and accounting, and financial consolidation.
READY TO ENABLE EXCELLENCE WITH SMARTER HR, PAYROLL AND FINANCE?

For more on how you can build business resilience, achieve operational simplicity and empower your people, just get in touch.

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MHR International Group is a global software and consultancy company specialising in HR, payroll, finance, employee engagement, learning and analytics, and artificial intelligence services. We maximise employee engagement, generate better data insights and improve efficiencies for over 1,300 companies, ranging from SMEs to large multinational corporates across both public and private sectors.

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