

Cornerstone eBook

Innovative new ways to modernise HCM and reduce cost

Strategic Guide



What's Inside

- 3** Executive summary
- 4** Introduction
- 5** Why HR operations remain a cost burden
- 7** What to look for in a modern HCM platform TCO
- 8** Do the maths: calculate your HCM platform TCO
- 9** How to unlock the potential of your global workforce
- 10** How Cornerstone helps you reduce HCM costs
- 13** Validating the economic impact of Cornerstone
- 15** Proven success at GMW
- 17** Drawing it all together



Executive Summary

Now more than ever, every corporate budget is under intense scrutiny.

From sales and marketing to finance and IT, the goal is to 'do more with less' and drive down the cost of doing business. Human capital management (HCM) is no exception – everything from core HR and talent management, to learning and payroll is under the microscope.

Despite people being the lifeblood of every business, forward-thinking HCM professionals need to identify innovative new ways to reduce the cost of HCM operation while simultaneously maximising the potential of their people.

There's good reason for this. Many organisations continue to rely on disconnected HCM systems – one for recruitment, one for learning, one for performance management – with either loose or no integration in-between. Or they rely on systems without depth and substance to key services such as onboarding, learning, and talent management.

The result? An unengaging people experience with high staff turnover. A lack of timely, accurate people insights for decision making. An inability to stay agile, navigate change, and pivot quickly to new business opportunities. And a reduction in productivity as people toggle between screens. All collectively leading to sluggish growth and unnecessary cost.

It doesn't have to be this way. By placing a stronger emphasis on Workforce Agility, organisations can gain clearer insights into the talent intelligence and skills required to navigate the future.

In this Cornerstone White Paper, we explore how a converged and connected HCM solution can better help you recruit, train, and manage your employees to achieve workforce agility and deliver a lower cost of HCM operation. It also reveals why forward-thinking business leaders need to engage, develop, motivate, and nurture people – building their skills to unlock potential. By closing critical skills gaps, you can stay in front of change, outpace competitors, and grow revenues.

Introducing Cornerstone Galaxy, a cutting-edge HCM solution powered by skills and talent intelligence to boost workforce agility. Seamlessly aligning employee development with your organisation's goals and vision, Cornerstone Galaxy bridges the workforce readiness gap, empowering your business to swiftly adapt to evolving demands.

As the emphasis shifts towards smarter decisions and employee engagement, an agile, full-lifecycle HCM platform ensures HR becomes a strategic, trusted partner to the business:

- **Increases revenue:** Intuitive, easy to administer talent management solution, with full employee lifecycle workflows and aggregated analytics, supports engaging employee experience and faster time to insights.
- **Reduces cost:** Connecting people data across multiple HR systems increases team efficiency and helps develop / grow talent. Simultaneously increases productivity and reduces costs.
- **Lowers risk:** Automation of repetitive, time-consuming HR tasks optimises processes and liberates HR to focus on talent management and increased employee engagement.

We conclude by examining how Cornerstone customers experience benefits of \$16.5 million over three years, equivalent to 220% ROI.

Introduction

Today's pace of business change is so fast, it can feel like you're running up a down escalator. And that change is accelerating, relentless, and unpredictable. Geopolitical turmoil, economic uncertainty, changing customer and employee needs, digital transformation, industry disrupters, and much more are upending decades-old business models and demanding new operating models, underpinned by agility, adaptability, and digital innovation.

Your people are in the crosshairs of this change. Forward-thinking business leaders need to engage, develop, motivate, and nurture people – building their skills to unlock potential. By closing critical skills gaps, you can stay in front of change, outpace competitors, and grow revenues.

Here's the problem. While Workforce Agility is the core driver for people success, it comes at a cost. Shallow HCM modules without depth of functionality, loose integration between solutions, a lack of people data insights, systems maintenance, pressure from the board to 'do more

with less', and other factors make Workforce Agility a significant cost overhead on the organisational balance sheet. This need for agility emphasises the importance of combining people-centric development and organisational goals. Such an approach provides a comprehensive method for workforce management that bridges the gap between employee skills and business objectives. Indeed, 85% of business executives say that organisations should create more agile ways of organising work to swiftly adapt to market changes.

It's time to think differently. Time to innovate a modern Workforce Agility strategy that unlocks the potential of your workforce, empowers them to do extraordinary things, and spearhead business growth.

85% of business executives

say that organisations should create more agile ways of organising work to swiftly adapt to market changes.¹



¹Source: Deloitte, "The Skills-Based Organization" 2022

Why HR operations remain a cost burden

Loosely coupled HCM modules

Too often, a holistic HCM platform will be strong in some modules and weak in others. Great at core HR, for instance, but lacking in talent acquisition, learning or other functionality. Weak modules can lead to manual workarounds, duplication of effort, and inefficient processes. They can lead to data quality issues, which can negatively impact strategic workforce planning.

Indeed, employees say they spend an average of half an hour longer on HCM tasks than necessary, equivalent to 40 million hours a month. That's \$8.15 billion annually in lost productivity.

A strong core HR module may not be able to integrate well with other systems, such as payroll or benefits management, leading to manual workarounds and increased costs. And if the platform is not accessible from mobile devices, it may be difficult for managers and employees to access and use the system remotely, leading to decreased productivity and flexibility.

72% of HR professionals say that they use between two and five HR systems, and 22% use six or more.

Source: "2021 State of Talent Management Report," SilkRoad Technology, 2021.

M&A strategy can drive up costs

If an HCM platform is the result of merging different technologies from an acquisitions strategy, it too can have cost implications. Integrating different systems can be a challenge, for example, particularly if they were developed using different programming languages or architectures. Maintaining a merged platform can be more expensive than maintaining separate systems, especially if the technologies are from different vendors. And merging different systems can make it challenging to achieve interoperability with other systems, such as payroll or benefits management.

It costs on average \$4,700 to hire a new candidate.

HR IT systems suck up money

There are lots of costs to consider. First, there is the initial license cost of the software and associated infrastructure, including networking and security. Second, change management frequently involves months of expensive planning and IT technical intervention. Third, there are the people costs: for example, more HR people are needed to support more HR platforms.

There are also indirect, hidden costs. This includes the time lost to IT training or switching between different HR tools – time that could be focused on strategic, value-add tasks. Moreover, the costs linked to poor quality data, and the overhead of collecting data from multiple different sources and manually integrating the reports. For example, it costs on average \$4,700 to hire a new candidate².

²"The Real Costs of Recruitment" Society for Human Resource Management.

→ Why HR operations remain a cost burden

Poor employee experience and empowerment

Often, complex, siloed HCM systems are difficult to learn, navigate, and use. People are unwilling to engage with these HCM systems: there's no rewarding experience and people are not empowered. The result? High staff turnover and reduced productivity – all increasing cost.

60% of companies believe that their HR data is not accurate, and that this is a major obstacle to achieving their HR and business objectives.

Source: "The Global Data Management Report: Unlocking the Power of Data." Deloitte.

Lack of workforce insights

One of the primary purposes of HR technology is to equip HR teams with the data and insights they need to better track employee performance, proactively and strategically manage talent, and monitor employee engagement. However, less than 10% of HR professionals say they get the insights they need from their tools to do their jobs effectively.

Data is typically fragmented and difficult to gather or use. Consolidation of employee data is unreliable, and management frequently lack access to basic global headcount reporting. This inability to report with agility delays decisions and results in increased cost.

71% of organisations consider HR analytics to be a high priority.

Source: "The future of work in the wake of a pandemic." Deloitte.

What to look for in a modern HCM platform



Integration

Unified integration with HR/ payroll systems and other critical applications will streamline processes, reduce manual data entry, and improve efficiency.



Mobility

Ensure mobile accessibility, enabling people to self-service important HR information on-the-go.



Performance

Adopt performance management and succession planning features, to develop/retain talent, identify high-potential employees, and plan for future leadership needs.



Interoperability

Interoperability between your HCM platform and downstream systems such as sales and finance, can drive tangible business outcomes.



Scalability

Seamless scalability avoids the cost of upgrades and allows you to accommodate your expanding workforce and evolving business.



Analytics

Analytics that extend beyond the transactional will allow you to gain valuable insights. You'll have knowledge into powerful workforce data that will drive trusted, data-driven decisions.



Compliance

Compliance and regulatory support, such as legal and tax updates, help you stay compliant with relevant laws and regulations.



Multi-country capability

A full-lifecycle HCM platform with multi-region capability will help you address the 'long tail' of unified, multinational operations.



User experience

Intuitive interfaces and clear navigation will help improve adoption rates and reduce training effort.



End to end HCM

Consider a comprehensive HCM platform that includes integrated recruitment and onboarding, streamlining the holistic hiring process.



Cost

Carefully evaluate the total cost of ownership for each HCM platform, considering factors such as licensing fees, implementation costs, and maintenance.

When evaluating an HCM platform, it is essential to consider supporting use cases that span multiple modules. These cross-module use cases can help you streamline processes, improve employee engagement, and drive business success.

Do the maths: calculate your HCM platform TCO

News feeds are packed with examples of budget overspends on IT project implementations, whether it's because of budget miscalculations, project scope creep, or other factors.

When choosing a full lifecycle HCM platform, it is imperative to calculate the entire, end-to-end costs associated with the system. Too often, the cheapest option is cheap because it demands complex downstream integrations, third-party consultants, and other costly investment.

During the project scoping phase, these are some of the costs to take into consideration:

- ✓ **Implementation costs:**
Includes the software licensing cost and any additional software needed to support your system.
- ✓ **Internal people costs:**
The time staff take to select the system, prepare for the implementation either via training or cleansing data, as well as the time spent on implementation.
- ✓ **Consultancy fees:**
Includes hiring third-party subject matter expert consultants during the selection or implementation process.

- ✓ **Data quality and migration costs:**
This is particularly important for large organisations consolidating disparate systems. Someone needs to map data from legacy systems to the new HCM platform and ensure that data is accurate.
- ✓ **Integration costs:**
Typically, one of the largest and most time-consuming costs. The HCM system may need to be connected with payroll, finance, CRM, and other platforms.
- ✓ **Updates and system maintenance:**
Either from your own IT department maintaining the system or paying for system upgrades if not included in your software cost.

Companies that implemented HCM technology reduced HR process time by 27%, reducing HR costs by 23%.

Source: "The Global Data Management Report: Unlocking the Power of Data." Deloitte.



→ Do the maths: calculate your HCM platform TCO

✓ **Staff training costs:**

Includes initial user training cost supplied by either the vendor or consultants for both the cost of training materials and the staff time spent being trained.

The indirect, hidden costs include:

✓ **Loss of productivity:**

Time employees are learning the new system instead of performing their usual tasks.

✓ **System downtime:**

Costs associated with system outages or failures, including lost productivity and potential impacts on business operations.

Change management:

- ✓ Expenses related to managing organisational change to ensure adoption and minimise resistance.

Opportunity costs:

- ✓ Potential benefits lost by choosing one system over another.

MODERN TALENT MANAGEMENT PROCESSES OPTIMISE HCM COSTS:

Recruitment / mobility:

Reduces turnover, reduces time to hire.

Onboarding:

Reduces time to productivity.

Performance:

Increases performance efficiency.

Talent admin:

Reduces talent admin time.



How to unlock the potential of your global workforce

Now more than ever, your organisational success hinges on agility and efficiency. Companies need to implement solutions that support the connectivity necessary to streamline operations and prepare for a more fluid style of work. This will be critical not only for creating the rewarding experience people expect in today's digital business environment, but also for developing the global mindset necessary for business survival.

By standardising on a full lifecycle HCM technology ecosystem with a shared dataset, for example, the accuracy of people and performance analytics improves dramatically with fewer errors, duplications, and other discrepancies. Users no longer toggle between applications, significantly increasing productivity, and it transforms the employee experience by reducing the friction in performing HR tasks.

Likewise, integration between modules surfaces opportunities for competitive success. For example, using the performance review to identify competency opportunities for improvement, achieve goals that can be compensated in the compensation module, or identify candidates in the succession process.

A connected full lifecycle model also transforms agility. For example, people can use their mobile device to explore the appropriate personal career progression steps, review their performance feedback, or pick a convenient AI-powered, skills-based learning course.



How Cornerstone helps you reduce HCM costs

Our Skills & Talent-driven HCM solution elevates this platform by integrating workforce agility with comprehensive HCM solutions. This approach not only reduces costs but also enhances employee engagement and readiness. Cornerstone's single, connected talent management platform allows you to manage the complete employee lifecycle.

Holistic, AI-powered solutions provide you with an end-to-end talent development experience that seamlessly connects your people and your systems of work to drive real outcomes, like increased retention, workforce agility and productivity.

All at lower cost.

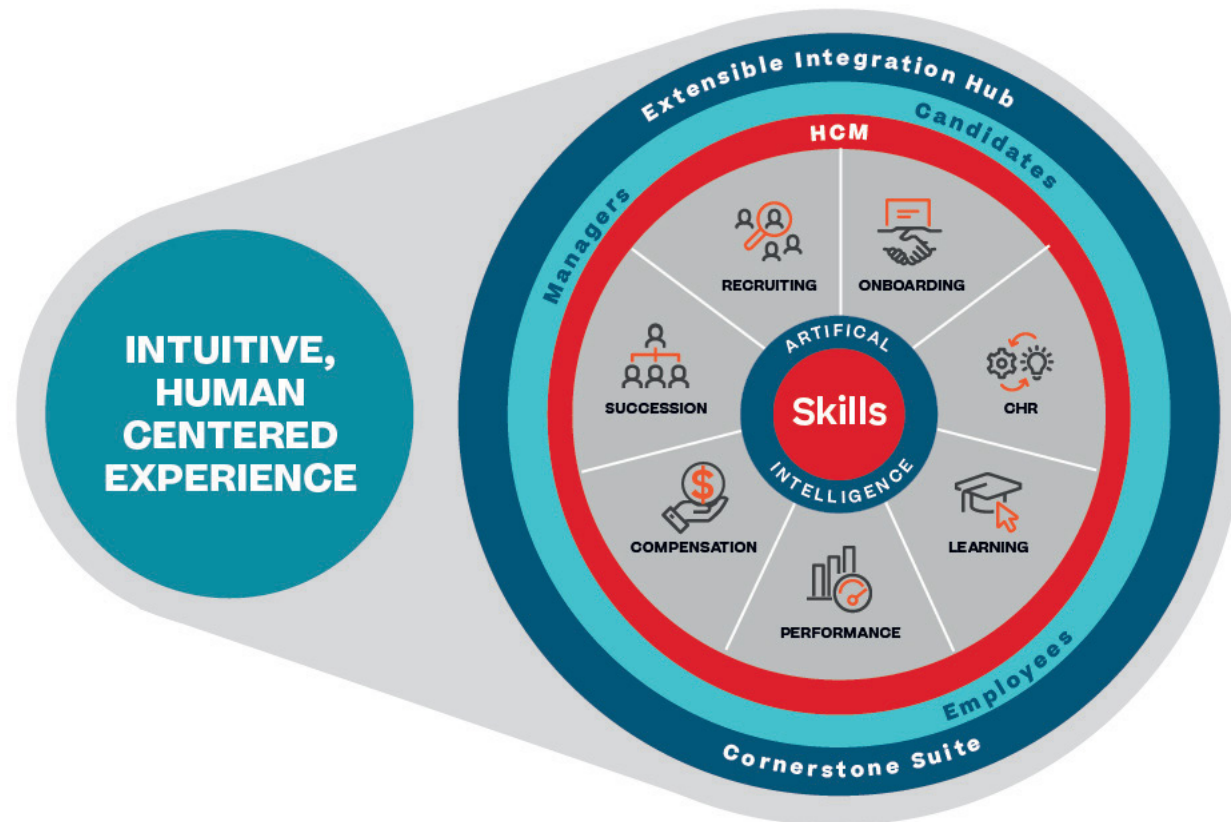


Figure 1: Cornerstone is one integrated solution to recruit, train and manage employees.

→ How Cornerstone helps you reduce HCM costs

Here's how Cornerstone helps optimise the cost of HCM operation:

✓ **Data hub:**

Unifies people data, improves team efficiency, and helps people develop and grow.

✓ **Accessibility:**

Makes universally-shared data available for timely reporting through one user interface.

✓ **Time and cost:**

Plugs into any system you use without putting your HRIS back in, but instead building on it.

✓ **Risk & security:**

Native reports and analysis incorporate existing security configurations.

✓ **Efficiency:**

Makes data available for timely, shared reporting through one interface. Integrates talent management into HRIS, so easier to grow your workforce.

✓ **Agility:**

Unified transaction and analytics data accelerates decision-making and ensures more curated recommendations on skills, career paths, learning and more.

✓ **Reduce costs at cloud speed:**

- Optimise onboarding and retention.
- Accelerate time to proficiency.
- Adapt and evolve your HCM solution rapidly to face fast changing employee needs.
- Drive increased employee retention – lowering hiring costs.
- People become more agile and engaged – grow the business.
- Lower risk of non-compliance (and avoid fines).
- Reduce time to value from business acquisitions.

✦ **WHY CHOOSE CORNERSTONE:**

Time & cost:

Connects with any system you use without putting your HRIS back in, but instead building on it.

Risk & security:

Native reports and analysis incorporate existing security configurations.

Efficiency:

Makes data available for timely, shared reporting through one interface.

Cornerstone HCM enables you to engage, develop, motivate, and nurture your people. This agile, intuitive platform ensures HR becomes a strategic, trusted partner to the business.

Validating the economic impact of Cornerstone

A highly respected global analyst organisation recently examined the ROI enterprises may realise by deploying Cornerstone OnDemand. The analyst organisation interviewed several customers, each of which had complex, disparate HR processes and systems, often with as many individual systems as number of countries. In this environment, customers struggled with manual efforts, an incomplete view of their people ecosystem, and difficulty engaging people without a digital employee experience.

Quantified financial cost savings

The following quantified benefits are representative of those experienced by the companies interviewed:

Reduced external recruiting costs.

Cornerstone enabled centralised global hiring processes, reducing reliance on third parties for recruiting. Over three years and with 3,750 new hires, the composite organisation saved \$5.2 million.

Improved productivity for globally connected HR resources.

Cornerstone centralised admin and connected organisations, created streamlined and globally aligned processes, and reduced redundant and duplicative HR efforts. For a global HR team of 200 resources, Cornerstone increased productivity by 40%, worth more than \$4.3 million.

Instant access to dashboards and reports saved hours of consolidation efforts and revealed workforce optimisation savings.

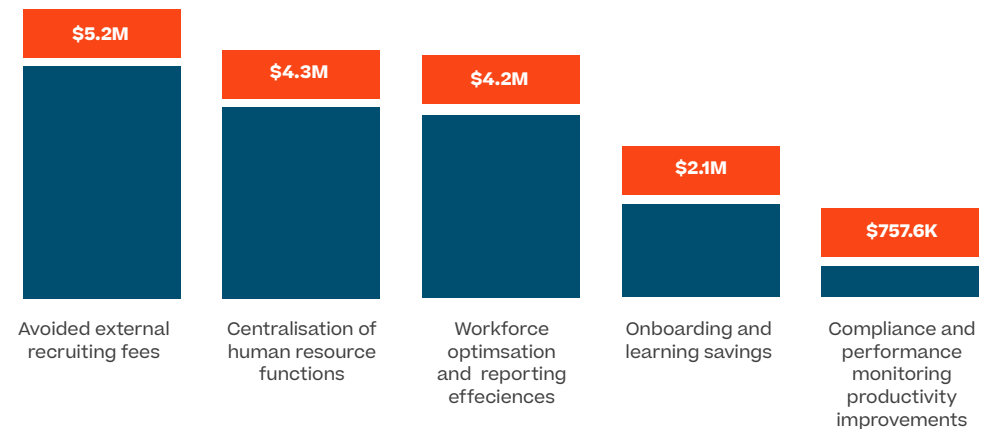
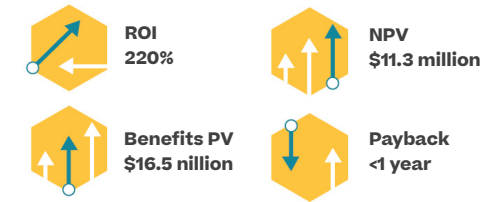
Armed with better people data through dashboards and reliable reporting, the composite organisation made data-driven hiring decisions. The three-year financial impact of reporting productivity lift and optimised workforce was worth \$4.2 million to the composite organisation.

Learning impact across the organisation, driving cost savings, greater employee engagement, administrative productivity lift, and onboarding automation.

The composite organisation reduced its learning spend and onboarding time by 50% through content curation and onboarding automation. The three-year value of this benefit was \$2.1 million.

Compliance and performance tracking automation, provided 90% productivity lift to global managers.

Cornerstone's ability to automate compliance reporting relieved manual efforts that previously burdened managers. They now have visibility into training completion and performance evaluations in moments. The three-year value of this benefit was \$758,000.



→ Validating the economic impact of Cornerstone

Qualitative financial cost savings

According to the analyst
Cornerstone Learning:

- 1 Allowed employees to manage their careers and stay with the company longer.
- 2 Avoided professional service consulting for configuration changes.
- 3 Consistent recruitment branding improved brand awareness and increased company visibility.
- 4 Improved cybersecurity education helped reduce risk.
- 4 Avoided fines for compliance breaches.
- 4 Delivered IT savings by retiring legacy hardware/software.
- 4 Faster implementation led to faster value realisation.

Financial Overview

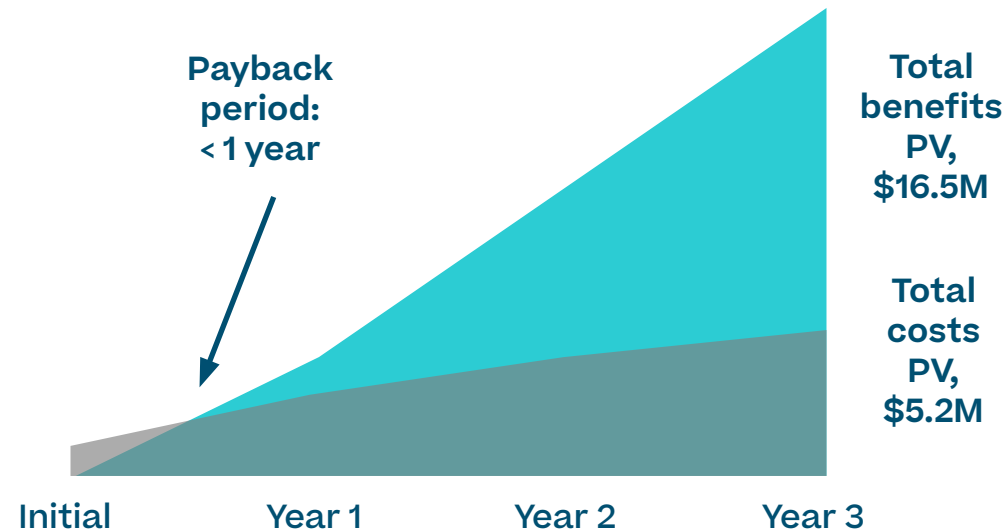


Figure 3: Cornerstone customers found that an organisation experiences benefits of \$16.5 million over three years, equivalent to 220% ROI.



Customer case study: Proven success at GMV

Group GMV specialises in technological innovation solutions in sectors such as space, automotive, and defence. Group GMV faced several challenges before implementing Cornerstone's solutions. Managing employee data across various sectors such as space, automotive, and defence posed a significant organisational hurdle. Additionally, the need to enhance agility and visibility in talent acquisition and streamline onboarding processes became apparent.

Challenge

Data management:

GMV faced challenges in managing employee data efficiently, as it was scattered across different systems and platforms.

Candidate experience:

Prior to implementing Cornerstone, the recruitment process lacked agility and transparency, causing delays and frustrations for both candidates and hiring managers.

Employee engagement:

Ensuring that employees felt connected, informed, and empowered was a challenge, particularly with a workforce spread across different sectors and locations.

SOLUTION

To address these challenges, Group GMV turned to Cornerstone for AI-powered solutions. They initiated the implementation with the Employee module, consolidating all employee data into a single, accessible location.

Subsequently, the Talent Acquisition module was swiftly rolled out within three months, providing agility and visibility for candidates, managers, and the People department.

The Onboarding function further facilitated a seamless transition from candidate to employee, reducing errors and improving efficiency.



→ Proven success at GMV

Lessons learned

Through the progressive implementation of various modules like Performance, Learning, Communication, and Compensation, Group GMV witnessed positive outcomes.

Centralised platform:

Consolidating HR processes on a single platform improved data accuracy, efficiency, and transparency across the organisation.

Phased implementation:

Adopting a gradual rollout strategy allowed GMV to address immediate needs while ensuring a smooth transition for employees and stakeholders.

Data-driven insights:

Leveraging data and insights from Cornerstone empowered the HR team to make informed decisions, identify skills gaps, and develop targeted training programs.

Improved transparency and communication:

Integration of internal policies and procedures, along with access to training materials, improved transparency for employees, while the Communication module streamlined contact between candidates, employees, and managers, enhancing collaboration and engagement.

Continuous improvement:

GMV recognises the importance of ongoing development and is committed to implementing additional modules to enhance performance, learning, communication, and compensation processes.

Looking forward, Group GMV plans to focus on leadership modules to train middle management in leadership and hybrid team management, fostering a stronger sense of community and a shared vision of success.



Drawing it all together

Traditional HCM is not enough. Transactional HCM processes do not account for shifting priorities in the company and macroenvironmental changes that require new skills to be developed to enable the organisation to navigate change. Organisations need to focus on a solution that will enable agility and growth for their workforce.

Now is the time to re-imagine your HCM strategy. Whether you rely on a suite of loosely connected HCM silos, a legacy HCM platform, or a large complex ERP system, it's time to modernise and reduce HCM costs.

A full lifecycle HCM platform such as Cornerstone is holistic, adding modern AI-powered solutions to provide an end-to-end talent development experience that seamlessly connects people and systems of work to drive real outcomes. It creates a single, unified system for master data and talent processes, while streamlining administrative processes.

The connected suite of applications ensures data consistency and visibility, while meeting in-country legal requirements. It makes data available to everyone for timely reporting through a single interface. And it supports curated recommendations on skills, careers, learning, and more.

By enabling organisations to engage, develop, motivate, and nurture people, this agile, intuitive platform offers an essential pathway to rationalise IT costs while enhancing business performance and efficiency.

Embracing this modern, agile approach not only supports workforce agility but also positions your organisation to thrive in a dynamic business environment. It empowers your workforce, drives innovation, and ensures you remain competitive in the marketplace.

Now is the time to modernise your HCM strategy with Cornerstone, the platform that brings together the best of technology and human potential to create a future-ready organisation.



You, me, we

With Cornerstone, best-in-class learning meets growth-centric talent tools to deliver the outcomes that matter most.

You: By connecting traditional talent management with collective goals, talent processes and capabilities models, your organisation works as one. Unified HR processes and knowledge create skills-forward business growth.

Me: Our modern, agile platform empowers individuals. Hyper-personalisation accelerates knowledge, learning and career pathways. When your people prosper, so does your business.

We: Collective, enterprise-wide intelligence detects the skills your organisation needs for future growth so you can reach innovations faster than your competitors.

Evolution of business impact



Acknowledgements

This 2024 report is the result of collaborative thinking and an exchange of ideas and insights. We warmly thank the following contributors for the time and effort they have provided.

Mike Bollinger
Marc Altimiras
Olivier Leullier
Matthieu Durif
Vincent Belliveau
Hugues Moysan
Paul Broughton
Christophe Labaj

Charlotte Benoit,
Senior Product Marketing Manager/
Segment Marketing
Cornerstone

All data in this report was compiled either via desk research from authoritative, independent sources or from Cornerstone's proprietary sources.



**Create a work environment
that inspires growth and
success for all. Join the
thousands of organisations
and millions of people
worldwide who use
Cornerstone to power
their growth and meet the
future, ready.**

[Learn More](#)