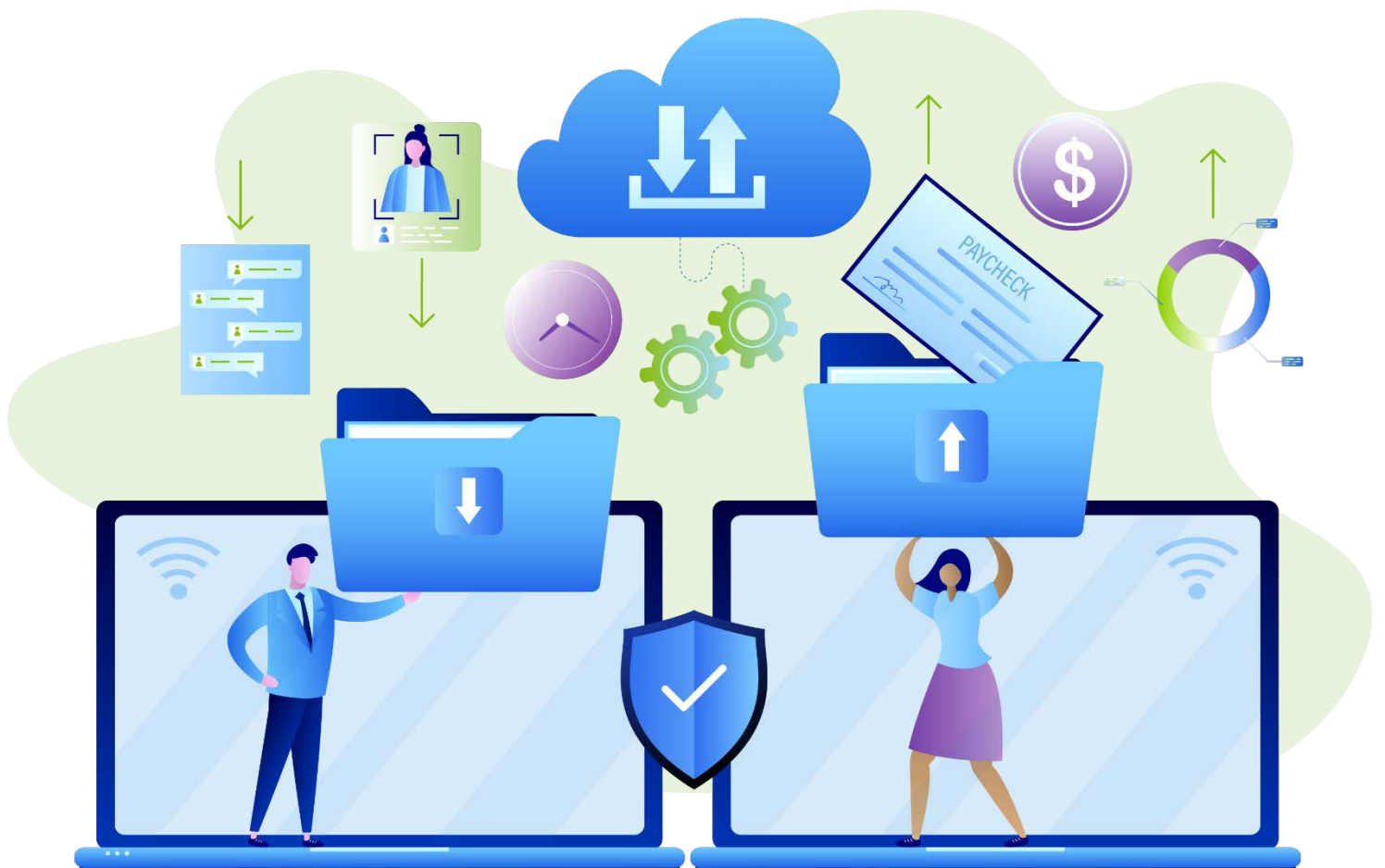


# THE IMPORTANCE OF CLOUD-BASED HCM SYSTEMS FOR THE FUTURE

---



This whitepaper discusses the importance of cloud-based HCM systems for the future. Find out what to look for when selecting the right system, understand the varying software terms, and learn how to navigate privacy and security.

## Introduction

Having a cloud-based HCM system is proving to be increasingly important and widely accepted as the world and technology continue to rapidly evolve. Whether you track and manage all your necessary HR functions with an online software solution or even via Microsoft Excel, physical threats and security vulnerabilities are everywhere and the move towards cloud-based systems guards against these threats

COVID-19 has accelerated this growth and 87% of global IT decision makers agree the pandemic will cause companies to accelerate their migration to the cloud, anticipating a decline in on-premise systems by 2025<sup>1</sup>. It is important to understand how cloud-based systems work and why they could potentially help your business thrive in the future.

## Why will cloud-based HCM systems work for the future?



The HR and payroll departments have come a long way from mountains of “paper-based” days. With technology and software advances and automation, there is the opportunity to make HCM systems more accessible, more innovative and to truly improve the employee experience. This means you need an HCM solution that continuously evolves and keeps up with new features, security trends and improved technology.

One critical HR function is employee assessments. With the increase in remote working, the ability to track employee performance and leverage the information in real-time from anywhere allows employee reviews to be done much more efficiently. Another advantage for the entire company is 24x7x365 access to all your payroll and benefit information. Selecting the right system that can easily manage your HR, payroll, and benefits in one simple system and grow to fit your business needs is key.

## Here are some things to consider when selecting a cloud-based HCM system:



### *Scalability and access*

Most cloud-based HCM systems offer easy access on any device. It is important to see the number of applications and integrations available in order to help your company continue to evolve and grow. Can storage capacity be easily increased or decreased? Can new processes be added easily to enhance your offering to employees? Can your software provider scale as you grow?



### *Support & maintenance*

When selecting a new system, it is always important to look at the support options available. Depending on your business, the needs for this can vary on whether you need access to support 24x7x365 versus normal business hours. Many companies are offering various levels of support including chat, email, or phone.

Maintenance is important to ask about so you understand the level of service you will be receiving. Going cloud-based, most maintenance is provided for you, but it is wise to ask about when and how it happens and at what intervals. For example, does your vendor force you to new versions without your knowledge or approval?



### *Methodology of product upgrades*

Learn what method of upgrades vendors make available and at what intervals. Some cloud vendor upgrades are made available to everyone “automatically” and happen frequently and typically to fix bugs and repair the current software issues. Other vendor upgrades offer more flexibility and options as to when updates are applied and often add new functionality to your system. Usually, you have the opportunity to review and test new features before deciding to add it to your system. It is important to understand the methodology used by your potential vendors.

## What to look for in compliance and localization

When you are evaluating a cloud-based HCM solution, it is important to take into consideration the locations your business operates in, and whether the vendor offers HCM support and compliance for each location. In addition, you'll want to be sure that you can localize your content and present relevant, location-based information to your employees.

And if your workforce spans multiple languages, you'll need to confirm that the vendor offers the ability to tailor employee self-service content in a localized language.

## What is the difference between customization and configuration?

These terms are used sometimes interchangeably when talking about software, but they do mean different things. **Configuration** means you are getting a standard software with tools and applications already available. The already existing fields, values, and functionality can then be configured to suit the needs of your business. Configuration doesn't require any additional coding or major changes to the system. Some examples of configuration would be setting permission levels, building dashboards, or workflow templates.

**Customization** allows you to tailor the software's capabilities and enhance the user experience. This requires potentially fundamental changes to your software and coding or programming. This requires a developer's work to make the software do something it can't currently do. Some examples of customization would be creating custom widgets and tables or adding a custom API (Application Programming Interface).



## What to consider to keep your data secure?

1

### *Eliminate the threat of physical vulnerabilities*

Using an on-premise system can leave you susceptible to physical vulnerabilities such as hardware failures, unpatched operating systems, ransomware attacks, and natural disasters such as fires or floods. By moving your HCM system to the cloud, you are eliminating these threats. This also give you time to focus on running your business rather than your software environment.

2

### *Restrict access to your information*

Department administrators should determine role-based permissions and restrictions based on need. Encrypting passwords and securing with two-factor authentication can provide additional security.

3

### *Remove any worry about computer crashes or losing network connectivity*

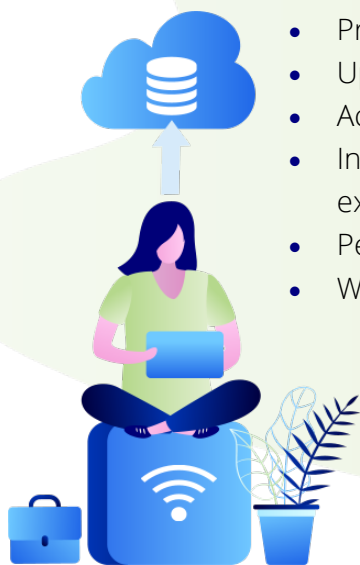
Using a cloud-based HCM, there will be no installations or manual updates needed and all your data would be accessible via browser on any digital device with connectivity. All information entered is automatically stored in the cloud, minimizing the risk of data loss if network connectivity errors do occur.

4

### *Stay protected against all known threats*

Look for additional built-in security features such as distributed denial of service (DDoS) protection, viruses, ransomware attacks and password brute-force protection. Another feature to look for is environmental security. Are there alternate power systems built in case of fire? Is there a disaster recovery center for all your data?

## What to look for in a cloud-based HCM system:



- Data storage in a nationwide, reputable top-tier data center
- Production services available (tax-filing, W-2 / ACA printing & filing, etc.)
- Updates and enhancements performed regularly
- Accessible 24x7x365 with user-based role permissions
- Integration solutions to help build interfaces to your existing internal and external systems
- Personalized configuration with user options and security tools
- Workforce analytics solutions

The bottom line is that you should be focusing on your business, and not your software. Software is there to facilitate your business. Why spend time worrying about your infrastructure, security, scalability, upgrades, etc. when your vendor can do that for you? The primary benefit of going to the cloud is that you can let someone else worry about those things.

## Conclusion

A cloud-based HCM system can help centralize data, make it more accessible, enable real-time reporting, and make trend and information analysis much easier. Operating a cloud-based HCM system can really help bring the HR and Payroll departments to the forefront. They can really lead the way in employee engagement and retention and focus on achieving optimal workplace culture strategies.

Ultimately, it is important for every organization to think of the future and how it constantly improves its software solutions and deployment methods to reach operational goals.

## About PDS

PDS is a leading developer of HCM solutions that offer complete all-in-one HR and Payroll management through leveraged technologies and world-class client support services in the US, Canada, and the Caribbean. Recruiting and onboarding, full benefits management, cross-border payroll capabilities, analytics, and more - fully designed with you in mind. They like to keep their community informed on all HR-related issues that may affect the workplace. Contact their team of experts today and let them revolutionize the way you work.

## PDS + Privacy

PDS abides by all country specific laws it does business in, keeping your personal information as private as possible. PDS is SOC 1 Type 2 (Service Organization Control) compliant and participates with the E.U-U. S and Swiss-U. S Privacy Shield Framework. For more information on privacy click [here](#).

Endnotes:

---

<sup>1</sup> LogicMonitor, "Cloud 2025: The Future of Workloads in a Cloud First, post COVID-19 world," June 22, 2020