

Selling HCM Technology by Solving Business Problems

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I recently had the pleasure to co-present with one of SAP SuccessFactors most consistently successful Account Executives (AE). We talked about selling HCM technology through solving customer business problems. This is short summary of key points from that session.

Figure 1

Comparing two sales strategies

Selling HCM Technology

- Tends to focus on administrative issues
- Fails to recognize HR's business value
- Often creates friction between IT and HR
- Provides little opportunity for differentiation

Solving Business Problems

- Focuses on the true line of business
- Emphasizes the strategic value of HR
- Creates a partnership between IT and HR
- Plays to SAP SuccessFactors strengths

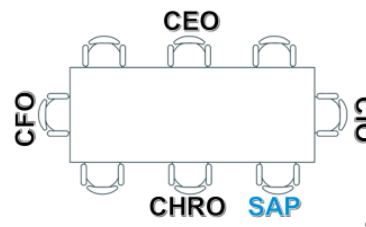
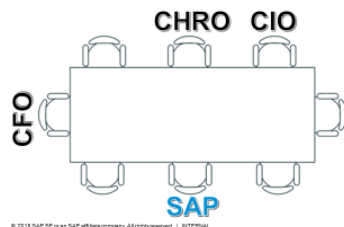


Figure 1 illustrates two ways to sell HCM technology solutions. The first tries to convince the CHRO of the value of our technology by showing them how it improves the lives of the HR department. This approach rarely succeeds. Even when it does, it usually results in smaller size deals. The second approach involves working alongside the CHRO and CIO to demonstrate how SAP HCM technology solutions can solve the customer's strategic business challenges. This approach is built around three steps:

1. **Understanding the customer's business strategy.** How are they going to drive profit and growth over the coming years?
2. **Defining the implications this strategy has on the customer's workforce.** What talent will they need to be successful? What will employees have to do in the future that they aren't doing now?
3. **Linking workforce changes to capabilities of HCM technology solutions.** How can the customer use our tools get the right people in the right jobs, ensure people are doing the right things the right way, and provide people with the right development for what they need to in the future?

We discussed three deals that illustrated this approach.

Enabling business growth through acquisition

- **Business Strategy:** Aggressive growth through acquisition in the generic pharmaceutical market.
- **Workforce Implications:** Must manage and retain talent from acquired companies.
- **SuccessFactors Capabilities:** Ability to rapidly integrate employee data into a single platform giving leaders full visibility across the workforce within days after closing an acquisition. Functionality enabling newly acquired employees to feel welcome and connected to the larger organization.

Developing new organizational capability

- **Business Strategy:** Shift from building internal combustion engine cars to creating transportation options for the growing electric/hybrid vehicle market
- **Workforce Implications:** Need to acquire, develop and retain talent with electric/hybrid automotive expertise
- **SuccessFactors Capabilities:** Ability to recruit, onboard, develop and retain next generation electric/hybrid engineers through use of more sophisticated, mobile enabled and user-friendly recruiting, talent and learning technology

Reducing operating costs

- **Business Strategy:** Reduce operating costs to compete with low cost airlines entering the market
- **Workforce Implications:** Decrease costs caused by employee absenteeism and the resulting need to employ more expensive backup crews
- **SuccessFactors Capabilities:** Ability to increase employee attendance by using talent management functionality that increases employee engagement and wellbeing

Each of these deals involved selling the same technology solutions, but for much different reasons. The solutions were not bought for their HR functionality. They were bought because their functionality addressed strategic business challenges affecting the company's long-term profit and growth.

Selling HCM technology solutions in this manner requires getting beyond HR and IT to engage with the customer's business operations and strategic leaders. The first step is to build trust with the CHRO. The CHRO must believe that working with the HCM technology solution will enhance the strategic value and credibility of the HR function with the CEO. To do this, AEs must have a fundamental understanding of what strategic HR is and why it matters. The second step is to work with the CHRO's organization to engage the CEO and business operations. Then show them how HCM technology can help address workforce challenges that impact the company's ability to execute its business strategies. This requires showing passion for the customer's business and appreciation for the value of effective HR methods.

AEs do not need to be experts in HR to sell HR technology solutions. They do need a basic understanding of what strategic HR is and why it matters. They must also put in the time to build credibility with the CHRO so they can earn an invitation to meet with the CEO. But the results are well worth it! For more information on this approach along with additional examples, I strongly recommend reading Chapter 1 through 3 in the book [Commonsense Talent Management: using strategic HR to improve company performance](#).