Guide to Planning and Justifying an HR Kiosk Deployment

Jointly prepared by:

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INTRODUCTION

Despite the exponential growth in new self-service applications over the past ten years, few market applications provide as compelling of an ROI equation as Human Resources. The case to be made is no longer about whether there is value in extending HR self-service to employees. This leg of the race is already complete for the vast majority of clients even thinking about using kiosks for an HR deployment. In fact, most have achieved years of significant quantified return from existing web-based HR systems already in place with their connected workforce.

Self-service kiosk deployment represents the opportunity to reap the same level of proven automation benefit with the disconnected employees of an organization. In manufacturing, retail, health care, government, and many other corporate environments, the percentage of employees without daily access to a computer can easily represent 40 - 50% of the company's workforce. Without extending the company's web applications and content / services to 100% of the employee base, the solution is incomplete and, by definition, short of its full cost savings potential. How short? - Is the question many HR kiosk prospects are trying to isolate.

This guide is intended to outline the key considerations that enable prospects to break out of the "interesting idea" phase, answer questions of profitability potential, and simplify the path to significant bottom line contributions. It is jointly prepared by:

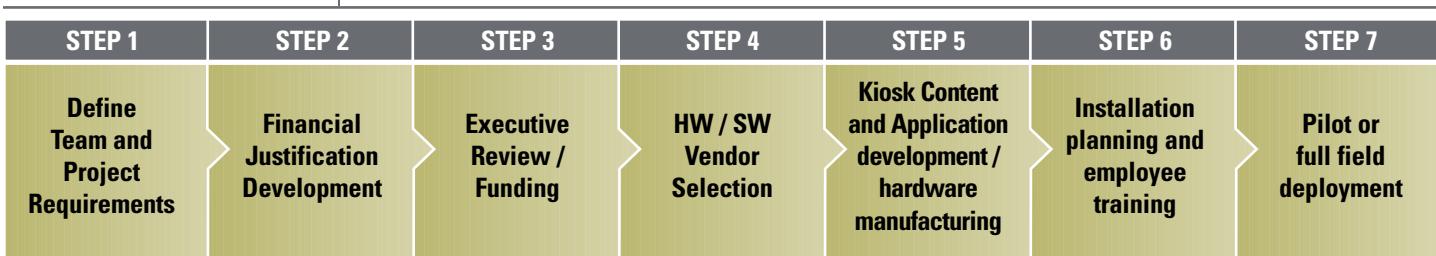**KIOSK Information Systems -** *World Leader in Kiosk Design and Manufacturing*

DynaTouch - *Expert Turnkey HR Kiosk Solutions Provider*

Having supplied turnkey solutions with world-class clients in retail, manufacturing, health care, government, and others - KIOSK and DynaTouch have seen unparalleled ROI, customer satisfaction, and deployment longevity in the Human Resources self-service market. Experience earned from these many deployments lead Tom Weaver, KIOSK CMO, to conclude *"HR self-service has reached a prime window of opportunity - all the factors necessary for success and ease of entry are in place, making it a much simpler and cost effective initiative than ever before. The early adopters have paved the way for integration of all the major HR platforms, which were previously the biggest time and cost hurdles to clear. Corporate clients entering the market have more experience and proven success with their first tier of web-based self service, and are now confident in extending that functionality to disconnected employees. And, finally the number of turnkey applications that can be simultaneously extended to disconnected employees make for an ideal self-service springboard. When you look at all these combined factors, and add in a cost-crunched economy, it's the perfect launch point for a self-service cost reduction measure."*

GETTING STARTED

The common threads of project planning in a large corporate HR Self-Service Deployment typically flow through a seven-step process. Times to complete this cycle vary greatly depending on the size and complexity of the deployment. Ranges can go between a few months up to a year, depending on the organization itself. Actual kiosk solution development (hardware, kiosk software, and content) only consumes about 8 - 10 weeks of the project timeline.

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
Define Team and Project Requirements	Financial Justification Development	Executive Review / Funding	HW / SW Vendor Selection	Kiosk Content and Application development / hardware manufacturing	Installation planning and employee training	Pilot or full field deployment

TEAM FORMATION & PROJECT DEFINITION

The right team for early stage project definition will be a combination of executive(s) for endorsement and functional experts for performance definition. Typical cross representation includes:

- Executive level sponsor for overall initiative
- HR Management and functional experts with knowledge of applications to be included
- IT Management
- Marketing (sometimes)

Once formed, the team defines the project scope, timeline, application functionality, IT requirements, desired hardware elements, and success criteria. The outcome of this requirements definition phase represents the basis for vendor analysis or Request for Proposal (RFP) content, should the company choose to include this formal of a selection process.

The applications selected for kiosk deployment are generally a function of what is already in place with the connected workforce. Turnkey solutions are readily available for virtually all HR self-service applications, including:

- **Employee Profile Management:** Competencies, certifications/ licenses, education, address / emergency contacts / dependent information, etc.

- **Job Application:** internal and external candidate job posting and application processing

- **Compensation**: Pay check printing, check history, wage history, direct deposit information, tax withholding information, payment modeling

- **Benefits**: Open enrollment and update management

- **Employee Request Actions:** Standard or maternity leave

TEAM FORMATION & PROJECT DEFINITION

continued

- **Company Communications Information:** Organization charts, office directories, corporate policy handbook

- **Life Events:** Move, marriage, adoption, birth, divorce, legal separation, etc.

- **Career Development:** Action plans, career management center, competency profile, review history, job profile, jobs applied for, training history, required / scheduled training

- **Time Entry:** Time cards, exception time entry, printing time cards, time approval

- **Surveys:** Job satisfaction, company surveys, kiosk feedback

- **Forms:** Electronic access to company forms

- **Training:** Access to eLearning courses (e.g., safety, regulatory, corporate compliance, etc.)

Among the most important deliverables of this planning stage is a clearly defined set of success criteria. While it may seem an obvious step, it's often overlooked or underdeveloped, which can undermine full project funding. Define and quantify objectives, such as:

- X% reduction in administrative costs
- X% increase in process efficiency
- X# decrease in headcount

These are the metrics that are typically measured in the pilot program, and those that often must be re-visited and proven to achieve the complete deployment.

BUILDING THE FINANCIAL JUSTIFICATION FOR AN HR DEPLOYMENT

While some clients have historically relied on intuitive benefits of deploying self-service, the current economic climate is far more likely to dictate hard-dollar cost justification. Ultimately, funding approval for a kiosk project requires creating a credible and compelling ROI equation, and sometimes proving those assumptions in a small pilot program. Successful justifications will have a tiered approach to quantifying the hard and soft benefits that come with extending self service - meaning a few highest dollar return applications provide the financial justification cornerstone, and soft benefit applications are layered on to strengthen the return.

Hard financial benefits are typically associated with automation of transaction-based interactions. Examples of applications tied to reduction of transaction costs include electronic pay stub creation

**BUILDING THE
FINANCIAL
JUSTIFICATION
FOR AN HR
DEPLOYMENT**

continued

and distribution, employee profile updates, or benefits enrollment automation where the deployer can isolate before (current / actual) and after (projected) costs tied to deploying kiosks.

Using activity based costing to analyze process expenses, it's possible to compare current state with minimal or no self-service, with a process such as paper / form-based submission of address change, isolating differences in time and labor savings. According to Cedar Crestone's 2008 Report, "The Value of HR Technologies: Metrics and Stories Report," this baseline and predictive measurement works well for current processes that are candidates for self-service. Excerpt from report findings:

TYPICAL SAVINGS BY PROCESS (2002 - 2006)

Application/ Business Process	Manual Cost	Self-Service Application Costs	% Savings
Enroll in Benefits	$30.06	$4.59	85%
Enroll in Training	$9.58	$2.31	76%
Change home address	$1.58	$0.36	78%
Apply for a job	$11.55	$6.09	47%

Source: CedarCrestone 2002 - 2006 ROI Studies

This sampling of higher impact applications clearly illustrates that the more functions that are layered to multiply the savings, the more compelling the ROI. Case in point, KIOSK worked with a leading global food and beverage conglomerate that rolled out their existing HR portal to 40,000 disconnected factory workers. Their initial focal application for the justification was automation of pay-stub printing. They successfully quantified a $400,000 annual savings tied to automating the pay-stub function. As they continued to layer applications, they quantified an additional $1M annually in printing and distribution costs associated with employee communications (distribution of policy manuals, in-network provider guides, newsletters, etc.). Further, analysis of the before and after overhead associated with the 100 HR Administrators supporting profile updates manually, isolated another $600K annually in data entry cost savings. By layering the savings assoicated with multiple applications, the total annual savings / benefit is quantified at $2M annually. Particularly in times of tough economic scrutiny, quantifying these hard benefit ROI elements is key to a successful justification cycle that results in first-pass project funding.

Continuing with the same example, the **soft benefits** such as increased efficiency and employee satisfaction can be layered on to the justification. This company had 100 HR Administrators (a $6.6M talent pool), supporting repetitive processes with low value-add. By shifting the activities of these personnel to more strategic functions (employee relations, SAP financial management, and process improvement), they realized a substantial benefit in value-added productivity contribution.

BUILDING THE FINANCIAL JUSTIFICATION FOR AN HR DEPLOYMENT

continued

While re-deployment of activity is difficult to quantify, opportunity to quantify headcount change potential is not. Again citing Cedar Crestone's 2008 report, headcount reductions associated with reducing administrative services have historically been minimal. "However, as the economy slows, organizations may once again need to find possible headcount reductions." This survey-based report, which provides survey and case study metrics for support organizations conducting business cases for HR technologies, cites the following (among other metrics):

- An organizational move to shared service center and self-service shows the need for 18% fewer HR staff.
- Process savings range from 20 - 80%, depending on the process and the technology. Automation to enable open enrollment yields the highest process savings and manager self-service typically results in 50% plus savings.
- Best practice organizations in the top quartile of survey respondents have 60% lower costs for overall HR labor and 50% lower HR administrative labor costs.
- Organizations with several key technology solutions have stronger operating income growth than those without.

"Outside the Box" thinking of bottom line profit contribution potential can also significantly impact the quality of the justification. Both DynaTouch and KIOSK have worked with major nationwide grocers who have implemented kiosks for in-store job application. Investigating their justification cycle uncovered two very different strategies. One was successful in a traditional extension of their web-based application tools to the potential employees, realizing significant reductions in processing costs and greater hiring efficiency. The other grocer chain (1600 stores) based their justification on more effectively screening and capturing new hires that enabled the company to take advantage of significant work opportunity tax credits (WOTC). In a chain that processes 1 million applicants annually, they were successful in justifying, and realizing, the deployment ROI on this tax credit metric alone. In this instance, the WOTC was the cornerstone of the justification, and the efficiency metrics served as financial reinforcement.

Combining unrelated, but complimentary applications, has also proven to be a resourceful kiosk deployment strategy that provides more "bang for the buck". For example, many retailers use their kiosks as a customer- facing tool during the day for applications such as gift registry or job application, but also roll out HR solutions to employees simultaneously. Layering employee and customer facing applications positions the kiosk for double duty on automation, and can significantly accelerate the ROI.

Many key DynaTouch clients have successfully employed this strategy, including almost all branches of the U.S. Department of Defense - Army, Air Force, Navy and Marine Corps. Utilizing Dynatouch's "Joint Services OneStop" kiosk content module, these organizations combine both customer and employee facing applications from multiple service organizations

BUILDING THE FINANCIAL JUSTIFICATION FOR AN HR DEPLOYMENT

continued

(Personnel, Housing, Healthcare, etc.) into a single, one-stop point of access. The exact same content can easily be published and presented to users with a different look , feel, or structure. The main menu can vary from kiosk to kiosk (even from day to day), in order to spotlight the services most important for that particular kiosk / location, while still providing access to the entire content module.

Another KIOSK client example that successfully incorporated this combined application tactic is Interior Health, a major Canadian hospital network. They strategically placed 100 kiosks throughout their facilities to run both patient check-in software and HR self-service. While the application preparation requires more legwork, Interior Health positioned their kiosks for maximum ROI by automating two very labor-intensive processes in a single deployment.

EXECUTIVE ENDORSEMENT / FUNDING APPROVAL

Following the justification preparation, most companies go through a formal executive review of the assumptions to achieve funding. Funding can come for a small pilot program to prove the concept first, followed by full deployment funding. In HR applications, the funding is more likely to occur for a full corporate deployment all at once. The reason some companies skip the pilot phase, is because of ample historical cost savings proof derived from their pre-existing HR self-service solutions. Experience and numbers associated with connected employee utilization have often proven to be sufficient. Occasionally, funding approval is held until after an RFP cycle is completed.

VENDOR SELECTION ELEMENTS FOR AN HR KIOSK

The vendor analysis or RFP project are usually split into four key areas:

- **Application Software and Content**

- **Kiosk Management Software**

- **Hardware Configuration, Integration, Manufacturing**

- **Ongoing Support of Both Hardware and Software**

HR Application Software and Content
The vast majority of new deployers have already invested in implementing web based HR systems and/or an employee portal, and are using kiosks to just extend the same functionality to disconnected employees and "walk-in" jobseekers. Presenting this same information to employees or jobseekers on a kiosk does, in fact, require specialized development knowledge.

While some large corporate clients may have the IT staffing and expertise to independently modify their own application software and content for use on public access kiosks, most customers find it much simpler, faster, and less expensive to contract with a niche HR kiosk application developer with confirmed experience in several key areas:

VENDOR SELECTION ELEMENTS FOR AN HR KIOSK

continued

"In the initial sales motion, DynaTouch took us through customer demos done on multiple HR Platforms, providing ample evidence that they had the Lawson expertise we required. It was reassuring knowing they already knew exactly how to integrate our specific platform. As a current client, we've been pleasantly surprised how quickly and seamlessly new functionality & specialty modules have been added"

Cindy Taylor,
Senior Systems Analyst
Moses Cone Health Systems

- <u>Proven integration expertise with all primary HR enterprise platforms</u> is an indispensable core competency of an expert developer. It allows customers to leverage the functionality of their existing applications without any customization. Most commonly, these include Oracle, Lawson, Peoplesoft, SAP, and ADP. As most companies have one or more add-on platforms and additional employee or career oriented content to be delivered via the kiosk, clients should also look for a successful track record showing layered integration capability with secondary HR platforms, soliciting examples where iCIMS, HRsmart, Taleo, PeopleClick, etc. were successfully included in the solution. Even if these secondary platforms aren't a system consideration at the time the decision is being made, it's smart to include the competency requirement to keep all options open for easy future expansion.

- <u>Content presentation and navigation</u> on a kiosk has different interface requirements than a website. Simply mirroring existing website or portal pages on a kiosk results in user frustration because it very rarely lends itself to touch screen navigation or novice user access. Also, since most disconnected employees are not regular site users, the information icons should be highly intuitive. A well- designed graphical user interface (GUI) will accelerate user adoption by eliminating, or greatly condensing, the learning curve.

  Easy navigation is another area of consideration with kiosk information presentation. Information and answers should be just one or two levels down, making user sessions easier, faster, and frustration-free.

Kiosk Management Software

Kiosk management software is essential for managing kiosk tasks (differs significantly from application software). It manages all system functions and interactions with users including system security, user session management, remote management, content optimization, and peripheral integration.

VENDOR SELECTION ELEMENTS FOR AN HR KIOSK

continued

"System security was an extremely stringent requirement of our management team, and a substantial point of initial resistance to a kiosk deployment. DynaTouch's TIPS Kiosk Management Software incorporated both system and user level security that put this issue to rest from the beginning - with our management team, and more importantly, the system users themselves."

Compensation/ Benefits Director, 5-State Distributor and Dealership for leading automotive manufacturer

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- **System Security** is paramount to ensuring users are only accessing relevant content and not navigating to unauthorized areas on the kiosk. HR and job application kiosks are designed to deliver specific services and information to employees and/or jobseekers, therefore the kiosk software should include embedded controls to "lock-down" the environment and provide explicit definition of valid content to be accessed (e.g., white listing controls).

- **User Session Management** goes hand-in-hand with system level security as the next major area of information protection. In a feature-rich HR self-service package, there are many sensitive data points that need to have built-in safeguarding tools. This functionality clears session data before starting another, completely protecting the privacy of the first individual. Primary features such as automated time-outs and exit buttons can be supplemented further with integrated privacy mats or security sensors. Demonstrating privacy capabilities to end-users and management provides them the assurance that their HR data is secure, and paves the way for easy kiosk adoption. There can be no risk that an employees' payroll or other sensitive personal data is left on the screen for the next user to see simply because the employee forgot to logout. The kiosk software must handle this.

- **Remote Management** allows kiosk content and software to be automatically managed and distributed to the entire kiosk network without physically going to each site. As new and updated features are made available, real time electronic disbursement is performed from a centralized location. Additionally, content can be designated to be unique to one kiosk, a group of kiosks, or to the entire kiosk network.

  Remote management software enables customers to view the status of each machine in the network, and centrally receive automated flags for minor maintenance issues like printer paper restocking. Reports on user activity, session length, application views, etc. are all readily available to make ROI analysis quick and easy.

- **Usage Analytics and Reporting** allows management to evaluate the success of kiosk locations, specific content and the overall project. Each navigation and print request is recorded with a date and time stamp, further simplifying activity analysis.

Hardware Configuration, Integration, and Manufacturing
Virtually all HR applications can be serviced within a standard kiosk enclosure that has a few custom peripherals integrated into the solution. Utilizing a standard enclosure design enables the deployer to achieve a quicker deployment cycle and forego non-recurring engineering (NRE) expenses associated with custom hardware design, providing greater ROI acceleration.

VENDOR SELECTION ELEMENTS FOR AN HR KIOSK

continued

Clients should expect a complimentary consultation with design advice on routine enclosure configuration considerations:

- <u>Sit down or stand up kiosk?</u> If users regularly require seating for extended use transactions (such as job application, training, or benefits enrollment), desk style enclosures may offer user adoption advantage. However, in retail environments, limited floor space availability may dictate the enclosure footprint decisions. Additionally, many HR departments prefer stand up models, which encourage the users to quickly perform their desired tasks and allow the kiosk to be available to the next user.

- <u>Printer requirements?</u> 8.5 X 11" laser printing capability is a very common requirement for HR applications; enabling users to leave with a confirmation record of benefits enrollment, pay stubs, or other key transactions. Thermal printers are a popular option, providing added security with retractable paper (ensuring that records are pulled back into the kiosk and discarded if an employee forgets to pick up their printout).

- <u>Wireless or hard wired?</u> Fixed position hard-wired installation is generally selected in a manufacturing environment, while retail settings more commonly require location flexibility, afforded with wireless antenna integration.

- <u>User Privacy mechanisms that are commonly integrated</u>:
  - Privacy Filters for LCDs recommended
  - Headphone jack for isolation of audio
  - Security mat or proximity sensors add another layer of user session security to supplement the application's "time out" features.

- <u>Keyboard and / or touch screen?</u>
  - Ruggedized keyboard track ball for a standing manufacturing floor environment, or traditional office style keyboard / mouse for a seated desk style kiosk?

VENDOR SELECTION ELEMENTS FOR AN HR KIOSK

continued

"Frost and Sullivan believes KIOSK's project management expertise and experience in understanding the needs of the kiosk customer will drive the company to not only maintain its present success but also encroach on the market share of major and minor players alike."

F R O S T
&
S U L L I V A N

Regardless of whether a deployer solicits a full-blown request for proposal, the typical high-level areas of vendor analysis when selecting a kiosk solutions provider should routinely include the following considerations:

- **Supplier experience** with similar type HR deployments and in working with the selected HRMS software provider are both key considerations to include. Leveraging the experience of prior client successes can intercept unforeseen issues and provide distinct competitive advantage in the overall program timeline.

- **Manufacturing capacity and competitive hardware lead-times** are very key considerations, particularly in a nationwide deployment. Once the pilot stages are complete, manufacturing should be executed at a pace that is slightly ahead of the installation schedule (often very aggressive timelines to get the entire solution into effect as a cohesive corporate effort). Comparable size deployment references should be solicited to ensure support capability.

- **ADA compliance and FCC / UL certification** - both FCC and UL safety certifications, if required, should be managed in parallel with the pilot units. If it's addressed after the fact, these certifications can add up to four months to the deployment.

- **ISO 9001:2000 Certification** evidence ensures integrated quality throughout all key processes in manufacturing and support functions. Quality process control in all customer interface points should be included in the total analysis (manufacturing, program management, financial processes, etc.) to ensure the simplest deployment.

- **Proven integration expertise with the defined peripherals** is an important consideration. Evidence of software loading, QA, and full system testing with all peripherals at the manufacturing source can significantly simplify the project rollout.

- **Proof of RoHS Certification and use of energy efficient peripherals** has become an increasing area of concern, and is now routinely factored into the overall supplier selection matrix.

- **Post-manufacturing support in production program management** is another critical element in a supplier's overall value-add in the program. Post-manufacturing support can make or break a program's success, so careful scrutiny of this reference element should not be overlooked.

Ongoing Solution Support - Software, Content, and Hardware
Upgrades and enhancements to kiosk management software are installed automatically via the remote management feature included in the software. During the kiosk regular remote "check-in," new software versions are identified and applied. The employee or jobseeker services made available on the kiosks usually expand over time. Many companies choose to

VENDOR SELECTION ELEMENTS FOR AN HR KIOSK

continued

utilize their kiosk management software provider to manage the kiosk content on their behalf. As new web-based self-service applications and web-based content are deployed within an organization, they can easily be rolled out to the kiosks by centrally modifying the graphical user interface. In the next kiosk regular remote "check-in," the content will be updated and made available to users.

Tiered customer support is the norm when dual suppliers are involved, but it is essentially transparent to the caller. One service number is provided for initial diagnosis of incoming issues, and then directed to the appropriate supplier for final resolution (software or hardware). Resolution is started same day, and completed in line with the appropriate warranty and field service terms selected.

The supplier can also provide remote monitoring services. Leveraging the supplier customer support to monitor the kiosks is a good option for many companies. This proactive monitoring helps ensure the kiosks are operating properly, and when problems arise, will provide early detection and resolution so that the kiosk is back up and available to users as quickly as possible.

INSTALLATION PLANNING AND EMPLOYEE TRAINING

As outlined earlier, 8 - 10 weeks from order is a very reasonable expectation for the full software and hardware solution development and manufacturing cycle to kick over into installation and deployment. During this time, site preparation / staging begins for the deployment and is coordinated with the supplier's program management.

While turnkey site survey and installation is a standard service option, many clients with large nationwide deployments opt to manage this phase of the project with their own internal talent. For very cost sensitive programs, options for supplier-led installation training can provide substantial savings during the rollout.

During this later phase of a project, employee training and communications about the deployment should start to build. Involving marketing resources at this point in the project can be very helpful in building positive messaging and anticipation for the rollout. Training for managers, or location "champions" is also advantageous in accelerating adoption. Having a defined HR owner as and initial resource helps facilitate the conversion, particularly when a firm date exists for a cut-off on manual processes.
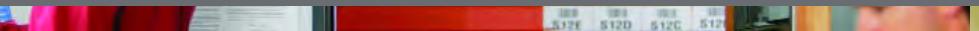
CONCLUSION

Quoting KIOSK Owner, Rick Malone, *"Executing a kiosk project is not rocket science, there are just about 1,000 things that have to go right."* Partnering with experienced suppliers who can pave the way with prior HR deployment project experience can make all the difference. Ultimately, it's about getting to the cost savings phase as quickly and efficiently as possible. KIOSK Information Systems and DynaTouch are here to help.

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