33 Reasons for Using the HCM Module of Dynamics 365 for Finance and Operations

The HCM module is part of the ERP solution Microsoft Dynamics 365 for Finance and Operations (Dynamics 365) . The HCM module is, together with our Add on HR Plus, rich and wide in HR specific functionality and it supports all your HR processes: from hire to retire. The total HCM module of Dynamics 365 covers all functional areas like: Employee, Employment, Organization, Jobs, Courses, Talent Management, Appraisals, Leave, Sickness, Fleet Management, Recruitment and eRecruitment, Compensation and Benefits.

The coherence between the modules within Dynamics 365 is very high. The advantages for one integrated solution are evident. However, there are still many organizations using a single, isolated HR product. For that reason, we offer you an overview of the advantages of having one integrated solution, including the use of the HCM module of Dynamics 365. These advantages result in: more functionality, saving time, less effort for your own (user)organization, less application and network effort, less customization, and above all, cost savings!

No doubt you are currently using some sort of product for managing HR processes, or a single isolated HR product. This is possibly something that ranges from an offline manual set of processes to a so-called best-of-breed product, none of which has any connection with other parts of Dynamics 365 without customization.

The full power and potential of Dynamics 365 is when it is one integrated solution, also integrated with the complete Microsoft Dynamics 365 stack including; MS SQL, MS SharePoint, MS Office or Office 365, and Power BI.

All the modules of Dynamics 365 have a relationship with the HCM module. Continuing to read you will find 33 examples of the added value of an integrated ERP solution versus a single and isolated HR product. There are 33 reasons to use the HCM module of Dynamics 365.

1. All modules, including the HCM module, use the same audit trail

Control and reporting of who is changing what and when is unified and uniform and easy to manage.

A separate HR product has his own audit trail and its own reports. For internal audits purposes you need to learn extra knowledge and skills. This means additional investments in time, and added costs from outside accountants.

2. All modules, including the HCM module, use the same look and feel Graphic User Interface (GUI)

It is easy to understand other modules as they look and feel, and are navigated in the same way.

A separate HR product has a different look and feel, and requires extra skills to understand the system. For internal support, several other persons besides the HR department need to learn this system. The Total Cost of Ownership (TCO) is therefore much higher.

3. The way Dynamics 365 looks and feels in the way of working, the User Experience (UX); Workspaces and menus, in all functional areas, is the same

A separate HR product has a different way of working, navigation is different, and there are different menus to set up. To provide internal support extra skills and knowledge are required onboard, which costs even more time, effort and money.

4. All data needs to be enter only once in Dynamics 365. This data will be shared with other modules

Data from other modules can and will be used in the HCM module. Likewise, data entered in the

HCM module of Dynamics 365 can and will be used in other functional areas including, for example, Finance, Projects, Procurement, Manufacturing, and CRM.

By using a single isolated HR product, data needs to be entered, maintained, and kept twice. This increases the risks of mistakes and faults, and requires much more attention. You need to have additional procedures regarding ownership of the data (with other departments), and whose job it is for maintaining these procedures. You also need to inform each other about what data is changing. In other words, additional and time consuming meetings are required.

5. The security of Dynamics 365 need to be set up just once, and you can then use it for every module; including the HCM module of Dynamics 365

By using an isolated HR product, you need to set up hierarchy and security another time. You also need to maintain this, and make appointments with other systems regarding how to stay in line with Dynamics 365. This takes more time in meetings, but also requires knowledge and skills that you do not want to or need to possess, or that you must hire to gain the extra knowledge. The TCO will again rise.

6. Global reports, using data of different modules, can be created with one single tool. There is no data exchange between Dynamics 365 and some other isolated system

No extra interfaces are necessary.

The reports of a single HR product are on their own, and created by a separate reporting tool. Combining this data with data of Dynamics 365 is difficult, time consuming and expensive, if possible at all, and often involves use of manual processes.

7. An update of Dynamics 365 will be done only once

Dynamics 365 is updated monthly, sometimes a silent update, sometimes a large update, which includes new functionality. This happens at one time, and includes all the functional areas. *New releases of a separate HR product are unpredictable, and require extra attention of the ICT department*

8. Easy adjustment

If you require personalization or modifications (name changing of fields, other set up of menus, extra fields) in the HCM module of Dynamics 365, this can be done for an individual, a group, or the full organization. In the next release, these adjustments will continue to be maintained 1:1. These adjustments can be made by an application manager.
If this capability is available at all in the single HR product, you need to execute this via the vendor or a different application manager. You need to maintain these extra skills, or you must hire this knowledge.
The TCO will again rise.

9. One of the strongest functionalities of Dynamics 365 is the guiding of Processes using the BPM

This Business Process Modeler (BPM) offers a step by step overview of the processes in Dynamics 365. It is the tool used to support implementations and is also the help guide tool. This is the tool for Dynamics 365. *In case such a sophisticated tool was even available in*
a separate HR product, you can only use it for the HR processes and nothing else.

10. For approval of requests you can use Mobile apps

Approvals for invoices, time registration, expenses, and for absence requests as well. They all use one and the mobile app.

For a separate HR product you need to have and use another app only for the approval of absence. Another app, means you need to know more, and it requires additional knowledge and skills to understand the system. Again, a higher TCO.

11. Dynamics 365 is much more

As a part of Dynamics 365, the HCM module of Dynamics 365 is integrated with all the other available empowerment tools of Dynamics 365, including Delve, Dynamics CRM, Word, Excel, Flow, Sway, One Note and Excel. When using the HCM module you
can immediately export data (tables) to Excel, adjust them live in Excel, and then import and publish back in Dynamics 365, all in a secure and controlled manner. *There is no separate HR product, other than the HCM module of Dynamics 365, which offers this kind of functionality, fully integrated and available as standard.*

12. When approving expenses in Dynamics 365, you will use the standard workflow

The expenses can be paid through the Finance department (every employee is also an Accounts Payable creditor) or through the Payroll department
(employee receives the expenses included in payroll). *When using a separate HRM product, it is questionable*
if this functionality is available. If so, you need to set up again a different workflow in an external environment. This is time consuming and costs you more effort in training your staff in the required knowledge and skills. Note as well, that an employee cannot be a creditor in a single isolated HR product.

13. Integration of time registration with Project module, Services module, T&A module

Time registration happens in Dynamics 365 through the Projects, Services and/or Time & Attendance modules, but can also happen through the HCM module. Integration of functionality is key in this. You can book hours, using Employee Self Service (ESS) or an app. The set up happens in the Project module. The result of overtime, or time for time, will be booked automatically in the HCM module.

In a separate HR product you need to manually enter the over time. There is no relation with any project. Codes for overtime need to be set up again. It needs extra time to stay tuned with other modules like the Project, Services or Time & Attendance modules of Dynamics 365. This means extra effort and more chances for things to go wrong. This also requires more/extra time from the application manager.

14. Absence and sickness registration are directly visible on the Timesheets of the Project, Services or Time & Attendance modules

You have the full benefit of one integrated system. Absence, like vacation, will be booked in the HRM module. The requested and subsequently approved absence hours will be directly visible in the Project, Services or Time & Attendance modules. Possible corrections or adjustments will be available directly in the HCM module. The correct and accurate overview of your absence entitlements is now available for employees, managers and the HR department. Sickness can also be registered using the ESS/MSS and the data can be used directly by the Project and the Time & Attendance modules.

Having a separate and isolate HR product means that all the absence and sickness hours need to be entered in the

Project module and/or the Time & Attendance module AND in the HR product separately; keying data 3 or even 4 times. That means double the work and creates a huge waste of time. It is also very important then to constantly check to insure all the same absence codes are used. This means lots of extra work and many more chances to make a mistake. This also costs more time and the time and attention of other departments.

15. Workflow is part of the standard functionality of Dynamics 365 and will be used by the HCM module as well

You only need to setup workflows once, all very much like the way it works in all other modules.

Standalone HR products always require separate setup of workflow in a different way. Setup of a separate workflow means more work and other skills to learn. In addition to that they cannot be combined or work together.

16. Using and storing documents works the same across Dynamics 365

Documents can either be stored in the Dynamics 365 database or on an external file location. Within the Dynamics 365 database your documents are saved per the security setup of Dynamics 365.

In an isolated HR product documents will always be stored separately. This makes it hard, or even impossible, to access them via Dynamic 365, and the other way around. This will also mean extra setup, and separate security which requires extra work and skills to maintain.

17. Active Directory of Microsoft need only be setup once for the right security setup in Dynamics 365 for ESS/MSS

With a separate and isolated HR product this needs be done again. This means always double work for your IT department to setup and maintain this. It means extra work, skills and maintenance.

18. Dealing with documents in Dynamics 365, which is fully integrated with SharePoint

Security in SharePoint is, as well as in Dynamics 365, based on Active Directory. Which means easy maintenance. This will make your network administrator happy.

With a separate HR product, it will cost the network administrator more work and it requires more skills.

19. Finance and Purchase modules use the organizational hierarchy created in the HRM module

It is possible to setup different types of hierarchies in the HCM module. Based on position management, but also in other ways such as country, state or region, or persons. This setup can be used by other functional areas like the Purchase and Finance module.

If a separate and isolated HR product wants to use this functionality, then you need to setup another interface. This is complex and expensive. The other way around is the same. If you setup the hierarchy in a separate HR product, you must export that data and import it into Dynamics 365. This means extra time in setting up an interface, and translating the data, which adds risks, can cause mistakes, and requires extra maintenance.

20. Application management can be done in one place

There is no need for a separate training for application management for the HCM module. This will narrow the risk of your organization when an application manager is leaving your organization. Normally persons necessarily hold a key job like an application manager. *In case of having a single HR product this means that you need to have at least two (additional) application managers, just for the HR product. They need to be trained in the future and this makes your organization vulnerable.*

21. HCM reports can be managed in a generic Dynamics 365 way

If your organization is already familiar with creating reports in other Dynamics 365 modules it requires no extra knowledge or skills. The HR department can use the knowledge already gained by other departments working with Dynamics 365.

Any other HR product requires specific knowledge of the way this application handles reporting. It might need external consultants to provide extra reports or changes to existing ones.

22. ESS/MSS is available out of the box

The Employee Self Service (ESS) and Manager Self Service (MSS) Workspaces allows your employees direct access to their own data. It also gives managers direct overview and in depth details of their team members. The view of the team members can be based on the position hierarchy stored in Dynamics 365.

Any other HR product requires separate setup for this. And you often end up with keying and registering employee and hierarchy data twice. This is time consuming and increases the risk of incorrect data.

23. The Dynamics 365 ESS/MSS is one integrated solution

The HCM module of Dynamics 365 has rich functionality. The module supports the full process from hire to retire. No extra modules are needed. All details about your employees are available and accessible. It requires no extra applications for any other of your HR processes like Sickness, Leave or Appraisals.

Not all other HR products are fully, or even partially integrated, or possess the same level of functionality. You do not want to end up with multiple applications to support your HR processes.

24. Checklists (your internal checklist) are automatically created when using the personal actions functionality in Dynamics 365

The actions of a checklist can even be send to Outlook automatically as a Task.

When you use a separate HR product, you would need to try to set this up. That is, even if this functionality is available in the first place. This will cost extra time from the IT department, extra meetings with vendors, and you need to support these skills or hire them done. Additional time, effort and expense increase your TCO.

25. The data regarding Lease companies, Insurance companies, Pension funds, Training centers, Temp agencies, Recruiters, interim managers, can be maintained in the vendor details of Dynamics 365

This information, will also be used by other departments like the Finance and/or the Purchase department. You only have to fill in the contact details once. If data changes, it is simultaneously available for all other modules. Just one more of the many benefits of having one integrated solution.

When using a single, isolated HR product, you must enter the vendor information separately in that HR product. This must then also be done in other systems, like your CRM and Finance solutions. Or you must use interfaces. This will cost extra time from the IT department, extra meetings with vendors, and you need to support these skills or hire it done. All of which require more time, effort and expense.

26. Budgeting based on HCM data

Budgets for staffing are created and maintained in the Finance module of Dynamics 365. Use a single system for financial and workforce transactions as well as budget, plans, and forecasts. The budget
data is delivered partly through the HCM module, for example, for setting up the forecast. The actual figures are also coming from the HCM module, the Payroll systems and the Finance module. Costs for contractors will be invoiced and kept in the Finance module. The same happens for the real costs for courses, temps, replacement, recruitment agencies. When all used together you have a full and complete picture of your internal and external staffing costs. As well as which, in Dynamics 365 you have the workflows to set up budgets including approvals for the total organization. The HR department has full benefit of the availability of this kind of functionality.

When using a separate HR product, you will only have insight in the budget of the costs which are in that HR product. You must key and enter the data at least twice in the system, or you do not have a total overview of all the staffing costs. Costs like those for temp agencies, recruiters, training centers, etc. You must add them manually and this requires extra effort. There are many more situations you must think about, thus making these processes very complex. This also effects the quality of the budgeting process.

27. In Dynamics 365 you can set up automatically number sequences

You can create an employee, worldwide, in any country, region or state, and this employee will have a unique number. This number will be used in Dynamics 365 everywhere so the functionality which requires the use of this number works perfectly in Finance and Projects, and in all the different modules.

There is no correlation between a single isolated HR product and Dynamics 365 for employee ID's. When using a single HR product you need to be aware that somewhere in the world another department is creating employees in a different system, and they are using the same number. This costs extra time, effort and expense to maintain these internal rules. The risk that things are done wrong is high, and it is very difficult and time consuming to reverse these actions.

28. When using the Project module or the Manufacturing module of Dynamics 365, you can use the HRM functionality, 'Skills of an Employee', so that you can put the right person in the right position with the right knowledge on the right project or machine.

The skills are maintained in the HCM module of Dynamics 365, based on courses, appraisals.
The Project and Manufacturing modules use this functionality. Another example of the benefits of having one integrated system.

When you use an isolated HR product, you must guard constantly whether the skill set in the Project module is equal to the skill set in the separate HR product. Codes or ID's need to be the same. But also the kind of functionality must be supported in 2 separate systems. This will cost extra time from the IT department, extra meetings with vendors, and you need to support these skills or hire it done.

29. Addresses are in Dynamics 365 separately in country specific formats

All the modules of Dynamics 365, including the HCM module can use address functionality by country, state or region in the same way. It does not matter if the address is used for an employee, customer or vendor. *When using a separate HR product you must constantly guard to maintain that the addresses in that system are equal with the addresses in Dynamics 365. The codes need to be the same and few, if any, HR products can handle and maintain all the address formats of all the countries all over the world. You can set up an interface, but that will cost more time, effort and expense, and add more risk. This will also cost extra time from the IT department, extra meetings with vendors, and you need to support these skills or hire it done.*

30. Data in Dynamics 365 can be used directly in PowerBI

The data is always real time. All kind of management information is directly available on your PC, tablet, or mobile device.

When using a separate HR product, there is no integration with other data within Dynamics 365. Therefore, you need a, usually highly costly, data warehouse solution. You cannot use the Power BI app of Microsoft. When you want to add additional data, this requires extra effort from your organization. You must make extra rules and conventions about the data in the system. This will cost extra time of the IT department, extra effort of the vendors, who will charge for that, and you need to support these skills internally or hire it done.

31. By using Dynamics 365 HCM you can use the whole (worldwide) organization as one financial area

You can consolidate companies in different currencies and, thus, reporting becomes much easier.

When you have a single and isolated HR product, you must set this up using a complex and sophisticated structure. This will cost extra time of the ICT department, extra effort of the HR vendor, who will charge for that, and you need to support these required skills internally or hire it done.

32. With Dynamics 365 HCM you can manage multiple (International) payroll systems

All relevant data is centrally available in one system. The payroll changes can be exported in a file using different file formats like CSV and XML, each sent to a different payroll system. You have complete control over the payroll data for all companies, in all countries, states or regions.

When you have a separate HR product, the only payroll system they support, if any at all, is their own. Most of the time these systems do not support other payroll systems. The same is the case when having subsidiaries in different countries, states or regions. You need (another) local product, which most of the time does not match with the HR product. Therefore, you do not even have proper insight into headcount.

33. Dynamics 365 uses different user roles, which are related to authorization

Every role has its own subset of reports, menus and authorization, specific created for these roles. Everything based on best practices.

Even if possible, when using a single HR product, you must set up all these roles again. The HR department is not integrated together with the rest of the organization. Thus, this means more and extra effort is required to create specific roles, reports, and other authorization is required, and more meetings and discussion with other departments.
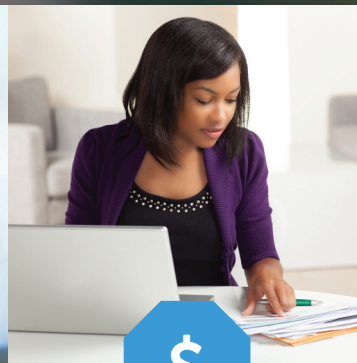
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