

# Why integrate HR and Finance?

**LEARN HOW**



Reduce risk, complexity, and costs



Drive continuous alignment between HR and finance



Shorten time to value and scale with confidence



Harmonize data and streamline processes



Improve and individualize people experiences

# Index

<b>Current Challenges.....</b>	<b>1</b>
Problems with Not Effectively Integrating HR and Finance Data.....	2
<b>Impact of Digitalization.....</b>	<b>3</b>
Cloud Solutions.....	3
Benefits of Using Technologies for HR-Finance Collaboration.....	3
Comprehensive Impact.....	4
<b>Technology Solutions to Align HR and Finance.....</b>	<b>5</b>
<b>Why Do Companies Choose SAP for HR and Finance?.....</b>	<b>6</b>
Benefits of HR and Finance Integration with SAP.....	7
SAP Proposal.....	8

# Current Challenges

**How are your HR and Finance systems integrated today?** People are the main asset of companies. For this reason, it is crucial that financial decisions are made with our employees in mind. Most companies manage finances and human resources in isolation, not realizing that it is essential that both areas complement each other. By achieving **interdepartmental cohesion**, we can financially plan, budget and manage costs with the needs of our workforce in mind. In the same way, we can manage talent and professional development considering the viability of the proposed actions.

Thanks to **data capture and management technologies**, it is possible to unify these areas in activities such as training, payments and performance management. Thanks to this, we can make informed decisions, improve budget planning, ensure regulatory compliance, optimize resources, and reduce errors and duplications. This enables us to achieve complete control and optimization of current and future processes while enhancing talent management through improved communication, collaboration, and performance measurement capabilities.



**Do you experience inaccurate or outdated data in HR and Finance?**

**Does the current integration strategy expose you to risks, high costs, or complexity?**

In this paper, we have gathered our experience and analyzed the current situation and needs of HR and finance departments, as well as solutions to achieve optimal alignment. Aligning HR and Finance departments is vital to the growth and success of companies. **Goals must be aligned and data harmonized.** Human Resources must consider the financial aspects related to talent management, and Finance must know the results, both intangible and tangible, of the actions carried out.

**53% of HR leaders recognize that employee productivity is key to success. The main business objectives that drive growth are to increase productivity, manage spending, and minimize risk. The alignment between HR and Finance positively influences these aspects.**

*According to IDC's study, "HR Takes the Lead: Strategies for Growth-Focused Organizations"*

## Problems with Not Effectively Integrating HR and Finance Data

Beyond the significant benefits brought by digitalization, digital transformation in recent years has shown that it is not only a competitive advantage, but a necessity for the proper functioning of departments. Below, we analyze some problems derived from the lack of integration between HR and Finance:

		<h3>Low Data Quality</h3>	<ul style="list-style-type: none"> <li>• <b>Lack of a unified data platform:</b> Increases the risk of human error and duplication.</li> <li>• <b>Inefficiencies in financial close and budgets:</b> The absence of integration complicates the allocation of resources.</li> <li>• <b>Risks of non-compliance and legal issues:</b> Lack of integrated data localization can lead to legal issues.</li> </ul>
		<h3>Inefficient Planning and Execution Processes</h3>	<ul style="list-style-type: none"> <li>• <b>Lack of real-time information:</b> Hinders resource allocation and strategic planning.</li> <li>• <b>Misalignment between teams:</b> Lack of coordination leads to operational inefficiencies.</li> </ul>
		<h3>Decline in Employee Productivity</h3>	<ul style="list-style-type: none"> <li>• <b>Access to incomplete and erroneous information:</b> Hinders operational efficiency and decision-making.</li> <li>• <b>Access control and segregation of duties:</b> Lack of integration complicates access and function management.</li> <li>• <b>Delays in workflows and approvals:</b> They negatively impact productivity and responsiveness.</li> </ul>
		<h3>High IT Costs</h3>	<ul style="list-style-type: none"> <li>• <b>Costly custom solutions:</b> Lack of integration requires specific and expensive solutions.</li> <li>• <b>Increase in manual tasks:</b> The need to solve problems frequently increases, raising maintenance costs.</li> <li>• <b>Difficulties in making changes:</b> Lack of integration delays the implementation of changes and increases costs.</li> </ul>

# Impact of Digitalization

Digitalization has driven this collaboration through technologies such as artificial intelligence, embedded analytics, and automation. A recent study by Oxford Economics, "HR's Role in Unlocking Organizational Growth", highlights the **need to move away from disconnected information systems**. The real-time integration of HR and Finance data is the solution, allowing a complete view of the current state of our people and finances.

## Cloud Solutions

HR and Finance leaders surveyed by Oxford Economics highlight cloud solutions as the best way to support data and process integration. Benefits experienced include:



**Process optimization**



**New levels of automation**



**Cost reduction**



**Improved visibility**

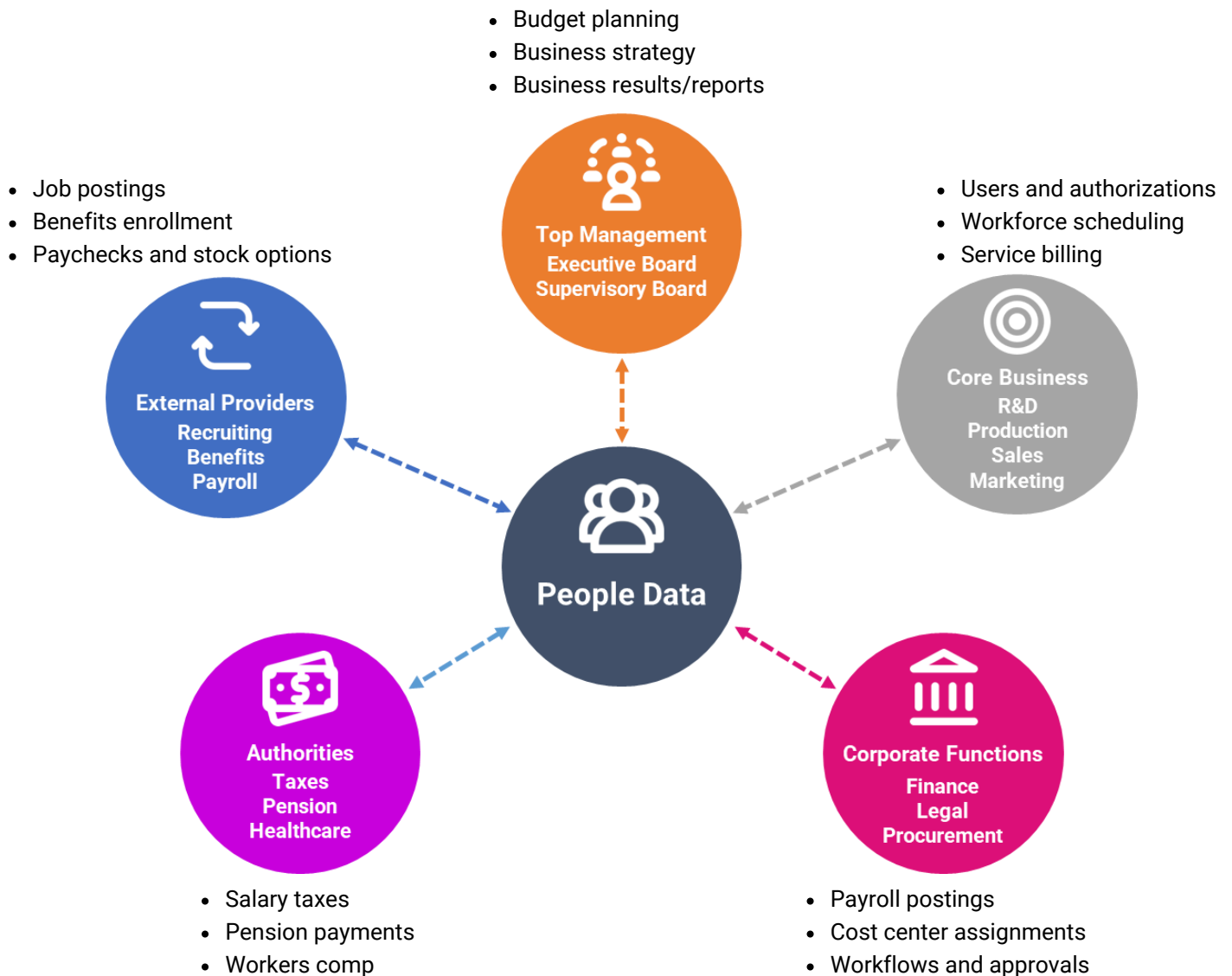
## Benefits of Using Technologies for HR-Finance Collaboration

- **Increased efficiency in process planning and management:** they allow for more precise and efficient coordination between departments.
- **Agile and transparent payroll process:** They ensure adequate and punctual remuneration of employees.
- **Increased productivity and employee satisfaction:** They facilitate talent management, improving motivation and performance.
- **Improved data accuracy and information flow:** They allow for smooth and accurate communication between departments.
- **Reduction in hiring time:** Selection processes become faster and more efficient.
- **Advanced bespoke reporting capabilities:** Deliver accurate and up-to-date data for decision-making.

## Comprehensive Impact

Employee data comprehensively **affects the management and operation of all areas**, not just finance, including:

- Core business (R+D, production, sales and marketing)
- Top management processes and decision-making
- Corporate Finance, Legal, and Procurement Functions
- Authorities (taxes, pensions and health)
- Third-party providers for recruitment and benefits administration processes



# Technology Solutions to Align HR and Finance



To avoid the risks of not integrating HR and Finance, it is crucial to facilitate communication and understanding between both areas. Although their interests may seem opposite, **they both pursue business growth**. This perception of contrary ends is due to a business tradition that has not worked on the **integration of departments**.

**Is there a way to achieve this integration in an agile and effective way?** The answer is cloud-based payroll and HR software, combined with powerful cloud ERP that enables optimal financial performance:

- **Best strategic alliance:** Provides comprehensive information for planning, forecasting, human capital management, and strategic decisions.
- **Unified, centralized platform:** Eliminate information silos and simplify processes through automation.
- **Complete real-time view:** Improves visibility into issues and opportunities, facilitating process analysis.
- **Improved employee satisfaction and experience:** Allows easy access to personal information and seamless communication.
- **Reduced maintenance and infrastructure costs:** A single cloud system simplifies management and reduces costs.
- **Quick and easy deployment:** Allows you to enjoy the benefits of the system immediately and scale according to business needs.



# Why Do Companies Choose SAP for HR and Finance?

SAP, a leader in business management software, develops its solutions based on deep market knowledge and industry best practices. Their approach is focused on understanding the idiosyncrasies of each business in order to offer solutions adapted to their needs.



- **Broad Customer Base:** SAP has more than 400,000 customers worldwide and more than 230 million users. Its solutions, which have been proven in all industries and regions, are continuously improved thanks to the learning gained over the years.
- **Comprehensive Coverage:** SAP solutions cover all business and people management needs, developed with the expertise of experts and thousands of implementations.
- **Data and Process Integration:** SAP offers pre-built integration between finance and human resources, reducing errors, risks, and complexities.
- **Scalability and Flexibility in the Cloud:** The SAP cloud allows you to scale the system, integrate it with third-party applications, and keep it up to date.
- **Transparent Underwriting Model:** SAP offers clarity on IT costs, allowing companies to tailor the solution to their needs and budget.





## Benefits of HR and Finance Integration with SAP

SAP solutions have demonstrated significant changes in organizations, improving process efficiency, reducing costs, and creating a work environment aligned with staff productivity and satisfaction.

### Improvements in Efficiency and Productivity



90%

- **Improvement in planning efficiency:** Optimizes organization and resource management.

40%

- **Improvement in IT efficiency:** thanks to task automation and infrastructure management simplification.

75%

- **Increase in work performance:** Integration leads to improvements in productivity.

### Improvements in Information Management and Accuracy



100%

- **Accuracy in the data collected:** Improves decision-making and reduces errors.

90%

- **Improvement in employee experience:** Create a more comfortable and satisfying work environment.

99%

- **Payroll Accuracy:** Ensure timely and correct payments from the first month.

### Reporting and Contracting Enhancements



25%

- **Less time in hiring:** Ensures that vacancies are filled in an agile and efficient manner.

80%

- **Improvement in the ability to generate custom reports:** It facilitates business vision and decision-making.

85%

- **Improvement in HR reporting:** Provides reliable information in real time.

## SAP Proposal



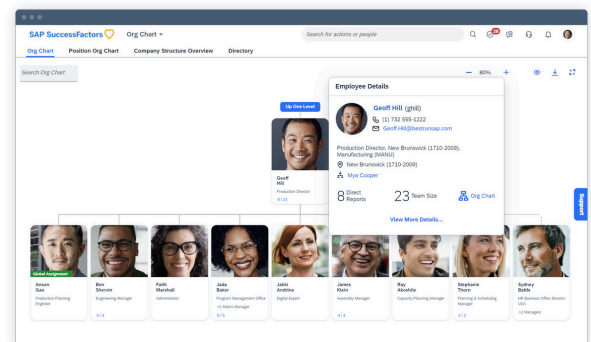
As mentioned at the beginning of this document, the optimal integration between the finance and human resources departments is achieved through the implementation and integration of a cloud-based payroll and **human resources management software**, combined with a **powerful cloud ERP**. For this purpose, we have the most advanced ERP on the market: SAP S/4HANA Public Cloud. In addition to covering other areas, it is a powerful financial solution that integrates seamlessly with the SAP SuccessFactors Employee Central human resources module.

Implementing these technologies will allow companies to optimize their processes, improve employee satisfaction and achieve effective collaboration between HR and Finance, thus driving business growth and success.

### SAP SuccessFactors Employee Central

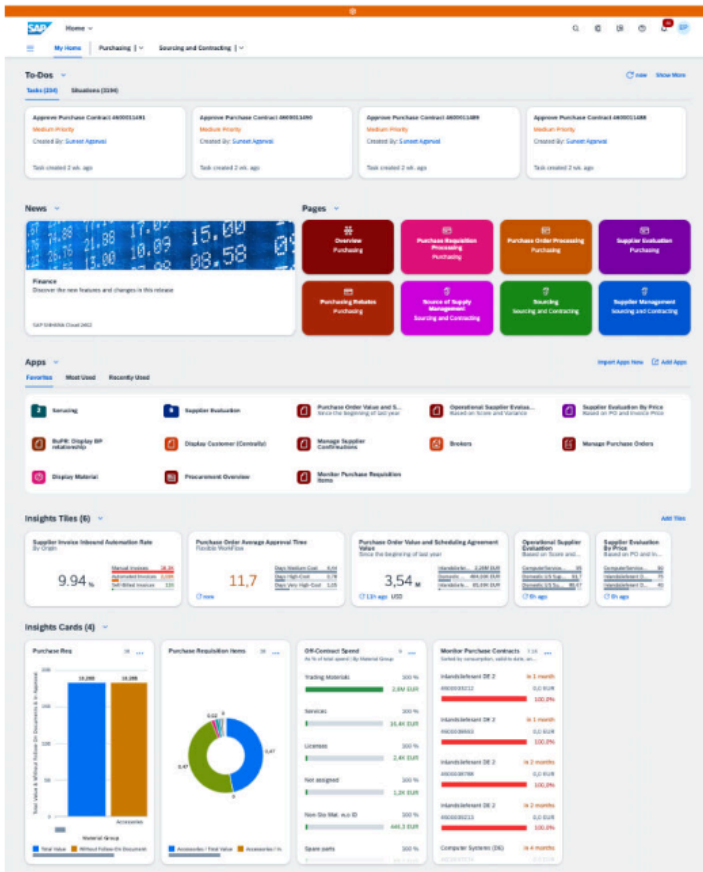
Considered one of the best HR software on the market, SAP SuccessFactors Employee Central is an employee registration system that manages all relevant information, including work history, personal data, and compensation. Organizational management: allows the organizational structure and hierarchies to be structured, managed, and visualized in an agile way, facilitating the efficient planning of human resources.

- **Position management:** facilitates the administration and monitoring of jobs. It allows you to create, update, modify and assign positions, as well as define responsibilities and requirements for each role.
- **Management and monitoring of absences:** vacations, illnesses, leave, among others.
- Tools that ensure compliance with **HR policies** and **procedures**.
- **Centralized recording** of each employee's information and work history.

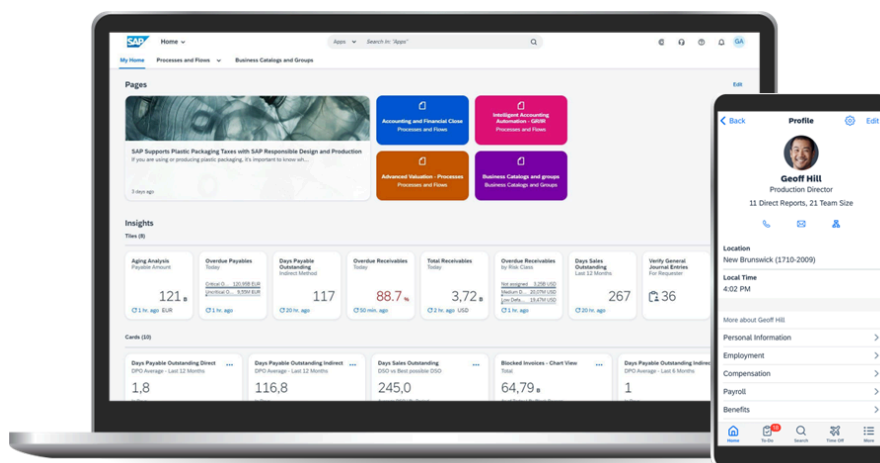


## SAP S/4HANA Public Cloud

SAP S/4HANA Cloud Public Edition This **robust and complete ERP software** covers all business areas, with a comprehensive approach and advanced financial tools to optimize processes and improve decision-making.



- **Advanced financial planning and analysis tools:** offer detailed budgeting and prediction of income and expenses, in addition to measuring the company's financial performance.
- **Accounting and financial closing:** facilitates the management of all accounting activities, automating and optimizing records and closings.
- **Financial operations:** includes treasury, cash flow management, payments and collections.
- **Financial compliance:** Ensures compliance with financial standards and regulations.
- **Role and authorization management:** allows you to define and manage roles and authorizations according to the needs of each user.



VARs is the largest alliance of SAP technology partners in the world, comprised of 40 partners operating in more than 80 countries and serving over 8,000 customers. This alliance brings together highly experienced partners with deep knowledge of SAP solutions and the local environment, including language, business regulations, laws, and regulations. This enables the customization of SAP functionalities to the specific needs of each company, maximizing the investment in SAP products. With several members recognized as SAP Platinum Partners, the alliance stands out for its expertise, innovation, and service excellence.

United VARs Catalogue



United VARs

The best way to access the  
potential of SAP in your  
organization



info@united-vars.com