HR-XML CONSORTIUM

Membership Prospectus

Join the Industry Thought Leaders
Who Are Creating an e-Business
Framework for Human Resources

What is the HR-XML Consortium?

The HR-XML Consortium is a worldwide, independent, non-profit organization dedicated to developing and promoting standard XML specifications to enable e-business and the automation of human resources-related data exchanges.

HR-related e-business – or any inter-company exchange of HR data – requires an agreement among participants about how the transaction or data exchange will be accomplished.

The mission of the HR-XML Consortium is to spare employers and vendors the risk and expense of having to negotiate and agree upon data interchange mechanisms on an ad-hoc basis. By developing and publishing open data exchange standards based on Extensible Markup Language ("XML"), the Consortium provides the means for any company to transact with other companies without having to establish, engineer, and implement many separate interchange mechanisms.

Today's HR Systems Environment

Research shows that the upfront costs of software account for only 30 to 40 percent (or less) of the total cost of implementing HR information solutions. Discovery, analysis, custom interface development, and ongoing maintenance account for the other 60 to 70 percent of many HR information solution implementations.

While much has been done to Web-enable HR software and services, employers and service providers still often encounter barriers to easy data integration. For instance, exchanging data with a new partner or service provider too often requires decisions about the format of the "data feed" and custom development of software interfaces to move data into and out of computer systems. Moreover, while the Web browser has become a universal, easy-to-use interface for users to enter data and interact with applications, the frequent need for users to enter data into Web forms from paper sources, to "cut and paste" data between different applications, or to re-enter the same data within different forms is symptomatic of the data integration problems common today.

Data interchange standards dramatically reduce the amount of expensive customization required to make implementations of HR solutions productive. Integration via open data interchange standards can reduce costs and errors by eliminating the need for double keying of data.

The HR-XML Consortium's data interchange standards provide flexible, extensible templates that can readily be used to integrate disparate systems. Without standards, ad hoc data interchange formats must be developed or employers may become locked-in to a proprietary format provided by their vendor

What Is XML?

Extensible Markup Language or "XML" is the World Wide Web Consortium's (W3C) specification for developing descriptive markup languages for use in the delivery of information across the Internet. XML looks like HTML, the markup language used to create Web pages. The most important difference between HTML and XML is that XML explicitly identifies data content by allowing information creators to apply descriptive markup (or "tags") around each discrete element of data. This makes XML-tagged data easy for computers to access, transfer, index, search, and secure.

XML is recognized as the clear technology choice for enabling inter-company data exchanges. In a variety of industries – insurance, financial services, and accounting, for instance – groups have formed to develop agreed-upon "XML vocabularies" and rules governing data-exchange. With more than 100 member companies, the HR-XML Consortium is one of the largest and best supported of these XML industry standards groups.

Initial Targets for Standardization

The HR-XML Consortium is driven by the needs and priorities of its members. Any member can propose that the Consortium undertake a standards activity. Proposals must be submitted to the HR-XML Business Steering Committee (BSC) for review. Before proposals are submitted to the BSC, they must include the names of at least three sponsor organizations and satisfy certain other pre-requisites.

Some of the Consortium's initial standardization activities are described below. New projects continually are being proposed and considered. For the latest information on HR-XML Consortium activities, see http://www.hr-xml.org

Recruiting and Staffing. The Consortium's Recruiting and Staffing Workgroup has developed Staffing and Exchange Protocol (SEP), a set of XML schemas that enable many common Internet-based recruiting transactions.

Enrollment. The Consortium's Benefits Enrollment Workgroup has competed an XML specification for communicating employee enrollment information between employers and insurance carriers, managed care organizations, and third-party administrators.

Payroll. The mission of the Consortium's Payroll Workgroup is to develop XML schemas to support a comprehensive range of interfaces into and out of payroll. The Workgroup's first project was to develop a schema to support data exchange between payroll systems and third-party administrators of employee benefit plans. The Workgroup also has begun a project to standardize pre-payroll deduction requests.

Cross-Process Objects. The Cross-Process Objects Workgroup is developing a library of schemas for "cross-process objects." These schemas will serve as building blocks from which a wide variety of transaction-specific schemas can be readily created. Cross-process objects include "PersonName," "PostalAddress," and "ContactMethod."

Time Reporting. The Time Reporting Workgroup has developed a simple, but complete, electronic version of a timecard.

Staffing Industry Data Exchange Standards (SIDES). The SIDES Workgroup is to create a complete set of specifications to support the procurement of temporary staffing.

Competencies. The Competencies Workgroup has developed an XML Schema that provides trading partners with a standardized and practical means to exchange information about competencies within a variety of business contexts.

Stock. The goal of the project is to define XML specifications to enable the exchange of employee stock purchase plan data as well as stock option data between an employer and an outside plan administrator or broker.

Assessments. The goal of the Assessment project is the development of specifications to support requests to third-party suppliers of assessments services.

Metrics. This project is focused on the development of standards to support the transfer of HR metrics data between trading partners and HR systems.

Your Invitation to Join Us!

The HR-XML Consortium continues to grow! We have more than 100 organizational members and hundreds of individual participants. HR-XML is global in scope. More than 22 countries are represented.

The Consortium actively seeks the participation of human resources professionals, employers, and HR software vendors and service providers who are committed to advancing open data exchange standards for human resources.

To join the HR-XML Consortium or to obtain additional information about membership options, visit the Consortium's web site at http://www.hr-xml.org or e-mail info@hr-xml.org

Membership Benefits

Some of the potential benefits of becoming a Consortium member are:

- Eligibility to propose and vote on Consortium standards

- A higher profile with investors and customers from being affiliated with technology (XML-enabled e-business) supported by Microsoft, IBM, Sun, Oracle, PeopleSoft, SAP, and other leading technology firms

- Access to vital information on how you can use XML and related technologies to reduce costs, improve customer service, assure quality, and build innovative new product offerings

- Reduced costs through shared research, development, and testing of XML vocabularies

- Increased visibility from HR-Consortium press releases, links on the Consortium's Web site (hr-xml.org), and from Consortium activities

- Complimentary documentation, schemas, stylesheets, and other materials developed by the Consortium

Membership Categories

The HR-XML Consortium provides membership options for organizations and individuals wanting to sponsor or to actively participate in the Consortium's standards-setting activities. Membership categories are as follows:

- Global member - $30,000 1st year/$15,000 renewal or conversion - HR-XML has two local chapters, HR-XML Consortium Japan and HR-XML Consortium Europe. Global members participate in both HR-XML and its chapters. This option and a related "Single-Payment" international membership option are explained in the Appendix: Global and Single-Payment Options.

- Charter member - $20,000 1st year/$7,500 renewal - Charter members are eligible to vote in Board of Director elections, nominate individuals for the Board, and vote in other matters of Consortium governance. Charter members also may participate in technical workgroups and they have voting rights on all specifications developed by the Consortium. Charter Members are eligible for marketing benefits specified by the

Board of Directors. Marketing benefits include but are not limited to the member's logo and a link to the member's website on the Consortium website, use of the Consortium's "member logo", and inclusion in press releases and collateral material.

- General member – General members are eligible to participate in technical workgroups and they have voting rights on all specifications developed by the Consortium. The cost of General membership varies depending on whether the organization is a vendor or end-user:
  - o Vendor, consulting, and integrator organizations – $10,000 1st year/$5,000 renewal.
  - o End-user organizations – $5,000 1st year/$5,000 renewal. (Vendors of software or HR-related services, consulting firms, and integrators are not eligible for end-user level membership.)

General Members are eligible for marketing benefits specified by the Board of Directors.

- Associate member - $250 1st year/$250 renewal - Associate members can participate in Consortium listservs, meetings, and conference calls. Associate members can bring forth proposals, write discussion drafts, and take on many official roles within workgroups. The $250 membership fee does not cover meeting costs. Fees are set to cover the member's share of the meeting costs (for example, $200 for a two-day meeting).

  An Associate Membership is a personal, individual membership that is not transferable to another person or to an organization. The employer of an Associate Member or other affiliated organization may not use the HR-XML Consortium logo or represent itself as a Consortium member unless that organization joins as a Charter, General, or Non-Profit member. Associate members are not eligible for the marketing benefits available to organizational members of the Consortium.

- Non-Profit membership - $5,000 1st year/$5,000 renewal. Non-profit organizations are eligible to participate in technical workgroups and they have voting rights on all specifications issued by the Consortium.

  Fees are waived for non-profit organizations at the discretion of the HR-XML Board of Directors. In general, approved organizations must have a non-profit purpose related to the HR-XML Consortium's mission. For example, a purpose related to human resources management or open data exchange standards. Representatives of non-profits for whom the membership fee is waived will be required to pay fees to cover their share of meeting costs.

How to Join

Simply visit http://www.hr-xml.org to sign-up for membership. An on-line form is provided to submit your membership request. Payment for Associate Membership may be made with a credit card through a secure connection.

Overview
Interest in HR-XML continues to grow around the World. HR-XML is an international organization with affiliate chapters in Europe and Japan. Other country or regional chapters may form in the future. The reason for HR-XML to form local organizations is to put local resources and local expertise behind projects of local interest.

Projects undertaken by local chapters could include making recommendations for changes to HR-XML core standards, developing localizations (additions to core specifications), and developing new standards of local interest not covered by core standards. Frequently, localizations are necessary because of local legal requirements and business practices.

The HR-XML Consortium (The "international organization"), HR-XML Consortium Europe, and HR-XML Consortium Japan are separate organizations united by a common mission and by an agreement that sets out the way the organizations work together, the treatment of intellectual property, and the administration of the Global and Single-Payment membership options (among other topics).

In order to make participation in the HR-XML Consortium and its chapters simpler, the Global and Single-Payment membership options have been developed. These two membership options will make it more convenient, and in some cases cost-effective, for new and existing members to participate in the work of the HR-XML Consortium and its chapters.

In general, the Global membership allows HR-XML Consortium Charter members to participate as voting members within the international organization as well as the Consortium's chapters. The Single-Payment membership option allows members of the HR-XML Consortium to tailor their membership among the chapters cafeteria style.

Global Membership
The membership fees of HR-XML chapters vary based on local funding requirements, availability of government funding, and local market conditions. While membership classifications vary among the organizations, Global members are guaranteed a certain level of participation within the international organization and the chapters (see Global Member Benefits below). Global members pay an annual fee to the international organization (see Fee Schedule and Revenue Sharing below) to pay for programming both within the international organization and the chapters. A portion of the Global membership fee is retained by the international organization, while the remainder is transferred to the chapters.

Fee Schedule and Revenue Sharing
(Amounts in US Dollars)

	1st Year New Member	Renewal / Conversion
Global Membership Fee	$30,000	$15,000

An existing Charter member of the international organization would be eligible to convert to a Global member, simply by paying the $15,000 annual renewal. A General member wanting to upgrade to Global member would be required to pay a fee of $25,000, which would include the $15,000 conversion fee in the schedule above, plus the $10,000 difference between their first-year General-Level fee and the $20,000 first-year fee paid by Charter members.

Global Member Benefits
Global members will have the set of benefits and privileges provided to Charter members within the HR-XML Consortium. In addition, Global members will be recognized within a separate Global member listing on the international and on chapter websites and in other relevant marketing materials where members are listed. Global members will be entitled to other recognition, such as use of signage and a logo identifying them as Global members of the Consortium.

Global members are entitled to chapter member benefits equivalent to those offered to General members of the HR-XML Consortium. Chapters may choose to offer Global members additional benefits.

Assumptions
- The amounts in the above fee schedule assume two chapters. Payment of the applicable fee would cover participation within the international HR-XML Consortium and the two chapters for a 12-month period.

- The global membership fees and structure will be reviewed by the board of directors of the HR-XML Consortium from year-to-year during the normal budget cycle and upon the formation of any additional chapters.

- Payment of Global membership fees will be made in U.S. dollars to the HR-XML Consortium.

- Global members may be required to execute one or more Chapter Membership Agreements and/or Addenda to the existing HR-XML Consortium Membership Agreement as necessary to satisfy applicable laws, rules and regulations associated with the chapters.

- Existing members of the HR-XML Consortium can upgrade to become Global members by paying the applicable upgrade fee (see schedule above). If the upgrade occurs at a point other than the member's renewal anniversary, the member's renewal anniversary will be re-established as the date of the upgrade. The upgraded Global member would then pay the applicable global renewal fee when it was time for their 12-month membership to renew.

    Example: Global HR, Inc. has been a Charter member of the HR-XML Consortium since April 2002. In June 2005, Global HR upgrades to a Global membership level so that it can participate in the HR-XML Consortium and in both HR-XML Consortium Japan and HR-XML Consortium Europe. It pays a $15,000 renewal/conversion fee. In June 2006, Global HR renews its Global membership by paying $15,000.

Single-Payment Option
The Single-Payment membership option is intended as a convenience for organizations and individuals that wish to participate in the HR-XML Consortium and one or more HR-XML chapters, but do not want or require full Global membership. For example, a company might wish to participate in only the HR-XML Consortium and the HR-XML Consortium Japan, or might wish to continue as a General member in the HR-XML Consortium as well as join HR-XML Consortium Japan and HR-XML Consortium Europe. In other words, the Single-Payment membership option allows organizations to join the HR-XML Consortium and select the desired chapter membership(s) in a "cafeteria" manner from the available chapter membership options.

The prospective member would communicate its choices to the membership administrator of the HR-XML Consortium. The cost of those individual choices would be converted to U.S. dollars and aggregated in a single invoice.

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