



Sierra-Cedar

Unwrapping the 17th Annual Sierra-Cedar HR Systems International Survey Findings: Changing the Discussion on HR Systems

October 23rd, 2014

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@StaceyHarrisHR

Key Themes for 2014–2015 Survey Results

Foundation

Cloud HRMS



User Experience



WFM + TM + BI



Strategy and Culture

HR Tech Strategy



Enterprise
Integration Strategy

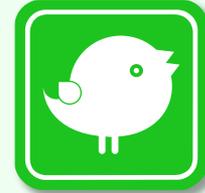


Culture of Change



Innovation

Social



Mobile



Quantified Organization



Sierra-Cedar Fast Facts

7

Service & Solution Areas

- Application Services
- Business Intelligence
- Host & Managed Services
- Infrastructure Services
- Integration & Cloud Solutions
- Research
- Strategy
- Training

17

Years of Leading
HR Systems Survey &
Research

2000 +

Employees

5

Industry Focus

- Commercial
- Healthcare
- Higher Education
- Public Sector
- Justice & Public Safety

2014 merger of

4 companies with

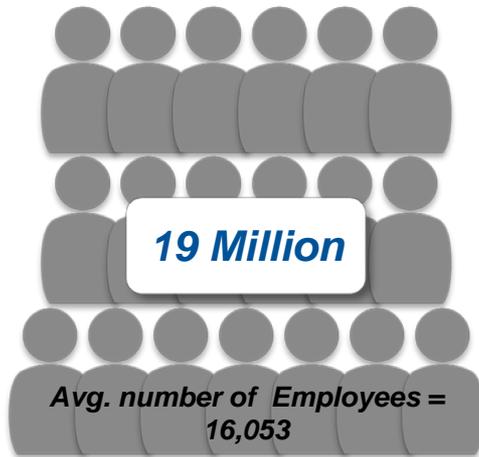
decades of experience

*Delivering **industry-focused client success** by providing consulting, technical, and managed services for the deployment, management and optimization of next-generation applications and technology.*

Sierra-Cedar 2014–2015 HR Systems Survey

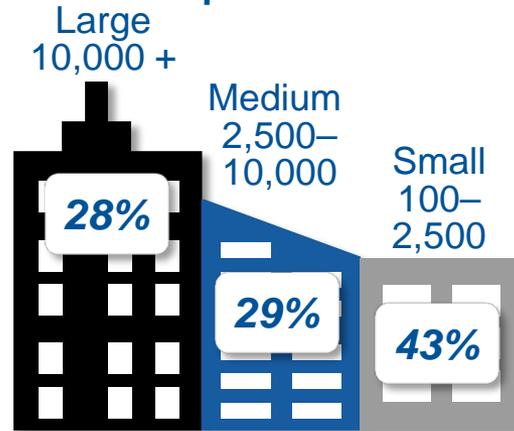
Demographics: All Respondents

Total Workforce Represented

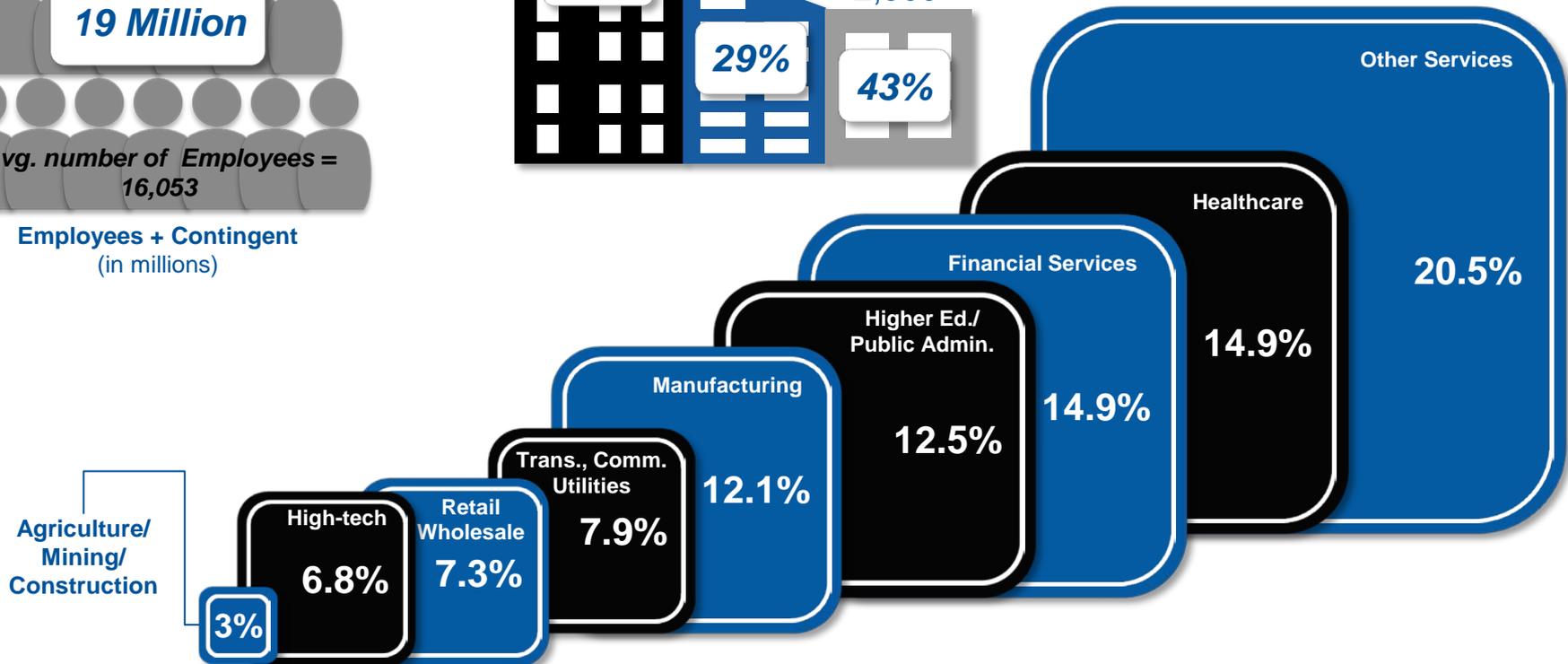


Employees + Contingent
(in millions)

Organization Sizes Represented



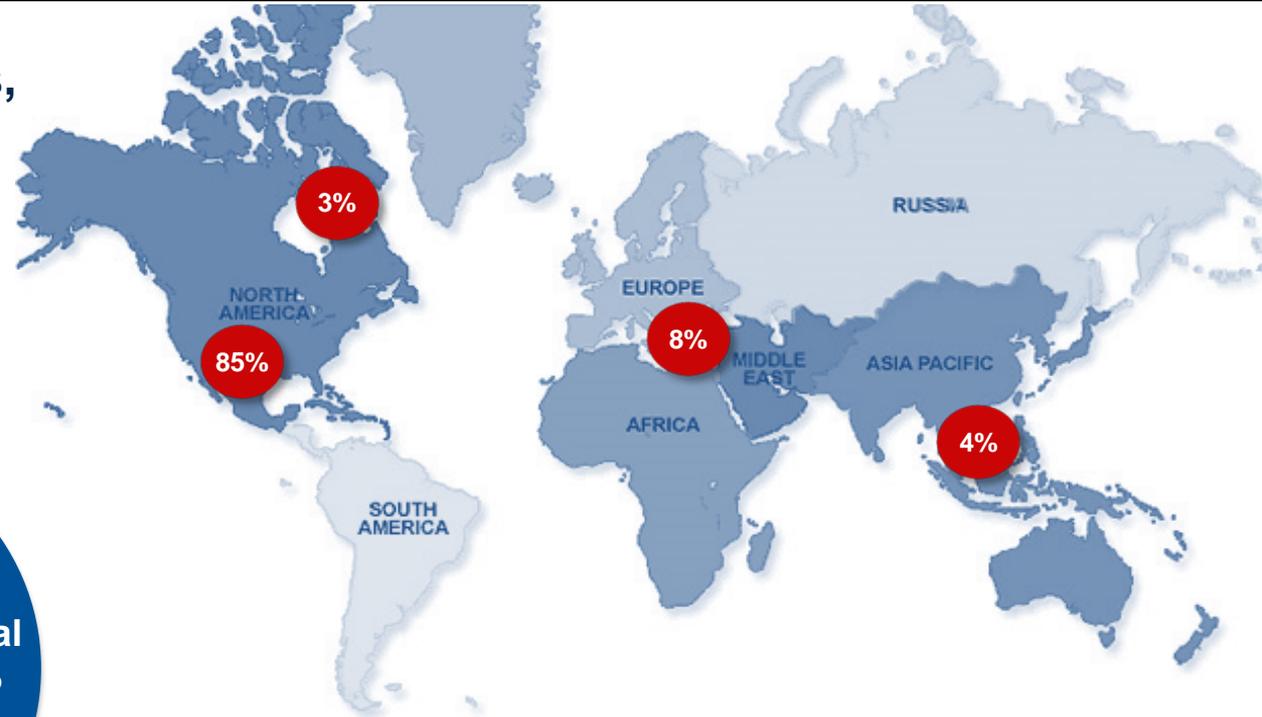
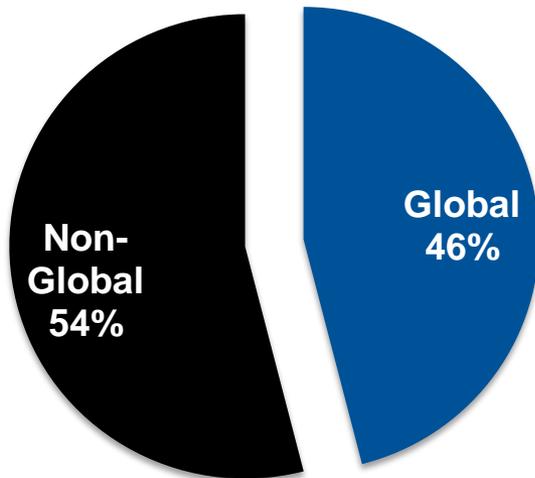
1,063
Organizations



Sierra-Cedar 2014–2015 HR Systems Survey

Demographics: Global Organizations

482 Global Organizations,
162 Headquartered
outside the US



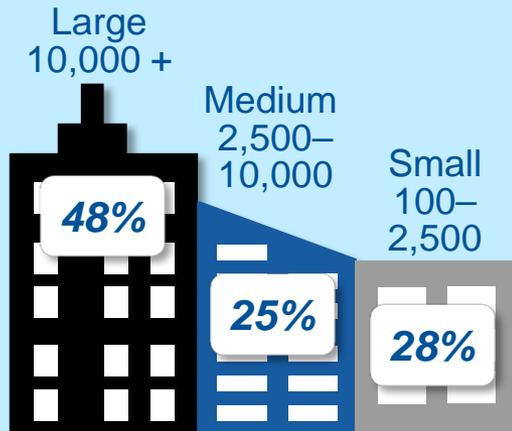
The average global organization has operations in over 24 different countries.

Sierra-Cedar 2014–2015 HR Systems Survey

Demographics: All Respondents

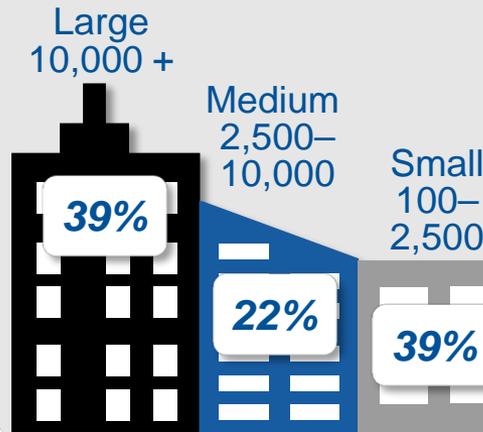
Europe

Organisation Sizes Represented



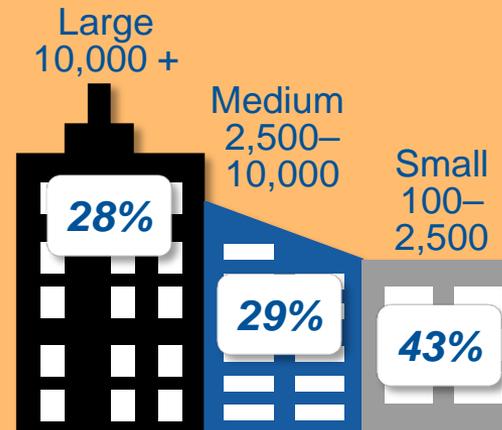
APAC

Organisation Sizes Represented



North America

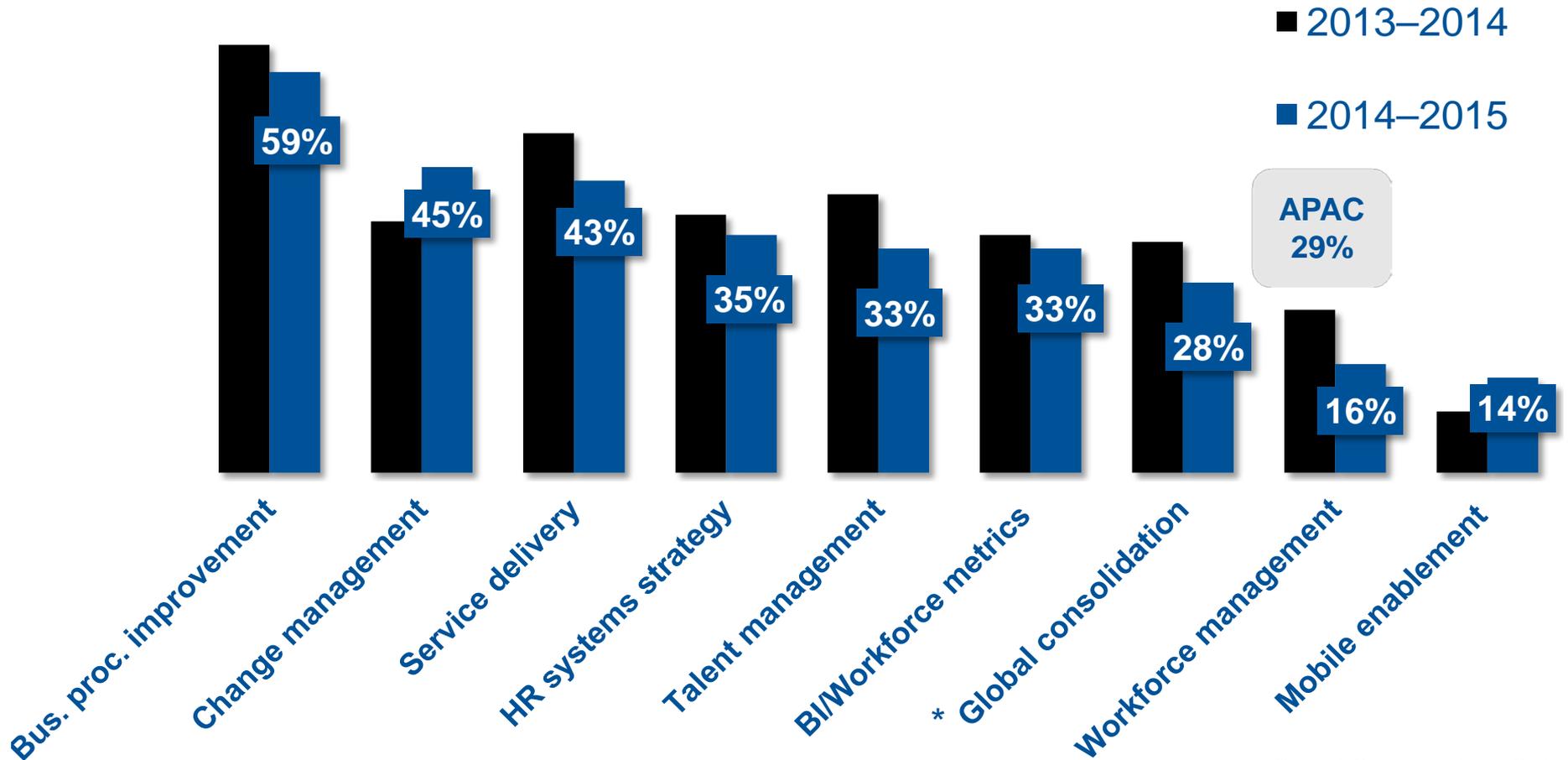
Organisation Sizes Represented



Two-Year European Look at HR Initiatives

Energy on BPI, Service Delivery, Global; Declining Focus on Talent Mgt.

Major Initiatives – Two Year View

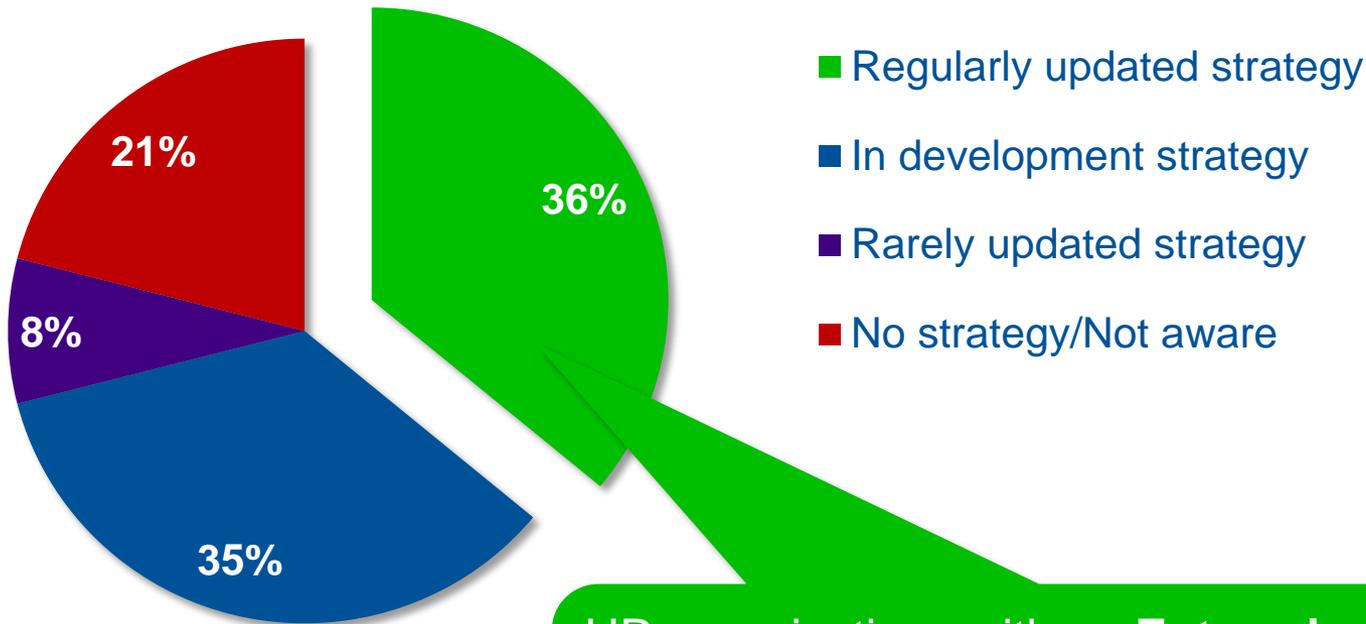


* Global Organizations Only

An Enterprise HR Systems Strategy

Our Top Performers Do. Do You Have One?

Percentage of Organizations With a Current Enterprise HR Systems Strategy



HR organizations with an **Enterprise HR Systems Strategy** are 38% more likely to be viewed by all levels of management as **contributing strategic value** to the organization.

Sierra-Cedar HCM Application Blueprint

General Ledger, Purchasing, Budgeting, T&E

Vendor Management

FIN

VMS

Enterprise Content

Enterprise Social

Enterprise Workflow

- Administrative Excellence
- Service Delivery Excellence
- Workforce Management Excellence
- Talent Management Excellence
- Workforce Optimization Excellence

Service Delivery

HR Help Desk, Portal, Workforce Lifecycle Management (Onboarding)

Self Service/Direct Access

Employee Self Service
Manager Self Service

Administrative Apps

Core HRMS, Roles/Competencies (Profile Mgt.), Payroll, Benefit Admin, Embedded HR Analytics, Embedded HR Social

Workforce Management

Time & Labor, Absence & Leave Management, Labor Scheduling, Labor Budgeting, WFM Analytics, Social

Workforce Optimization

Workforce Planning, Workforce Analytics, Predictive Analytics

Talent Management

Recruiting, Performance, Learning, Compensation, Succession, Career, Talent Profile, Talent Analytics, Social

Business Intelligence Foundation

Reporting/visualization and BI tools

CRM

Network Security

Mobile Access

SOA, API, ETL

Integration Platform

Projects

Backlog, Pipeline, Customer Satisfaction

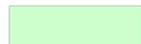
Project Costing, Contracts, Grants

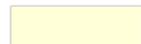
Application Adoptions Levels By Region

Application Adoption Level by Region



	Worldwide Average	USA	Canada	EMEA	APAC
Administrative	92%	94%	87%	84%	64%
Service delivery	49%	50%	36%	46%	43%
Workforce management	46%	46%	39%	49%	49%
Talent management	55%	55%	51%	60%	48%
BI (reporting/tools)	41%	41%	42%	49%	26%
Workforce analytics/planning	12%	12%	4%	14%	15%
Social media tools	41%	42%	46%	38%	29%

 +5% above average

 -5% below average

Canada

Leads in adoption of Social Media tools

Europe/Middle East

Leads in adoption of Talent Management and Business Intelligence applications

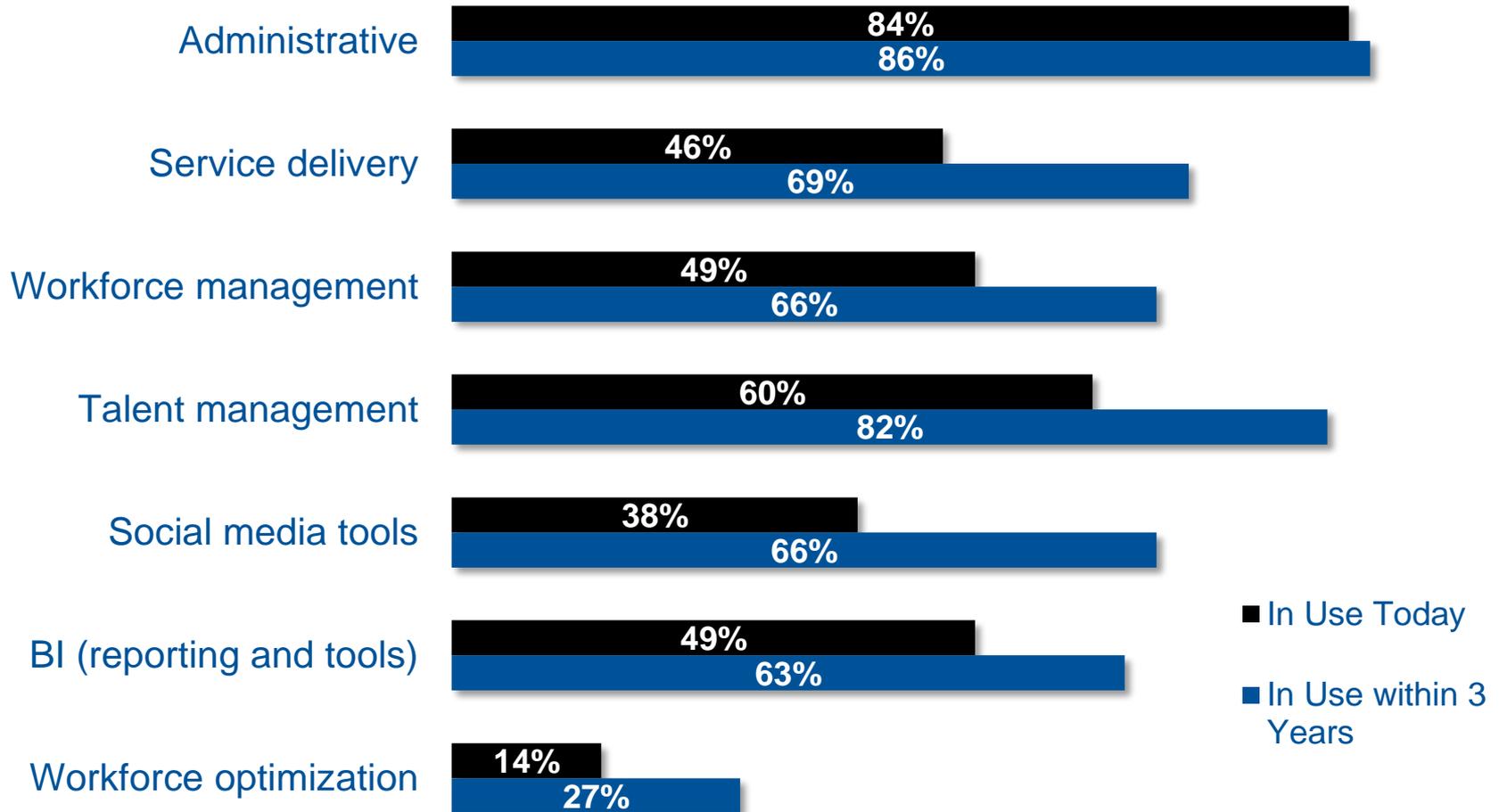
Asia/India/Australia

Lower adoption levels than other regions

European Three-year Adoption Outlook

Looking Forward, Service Delivery, Talent Mgmt., and Social Tools

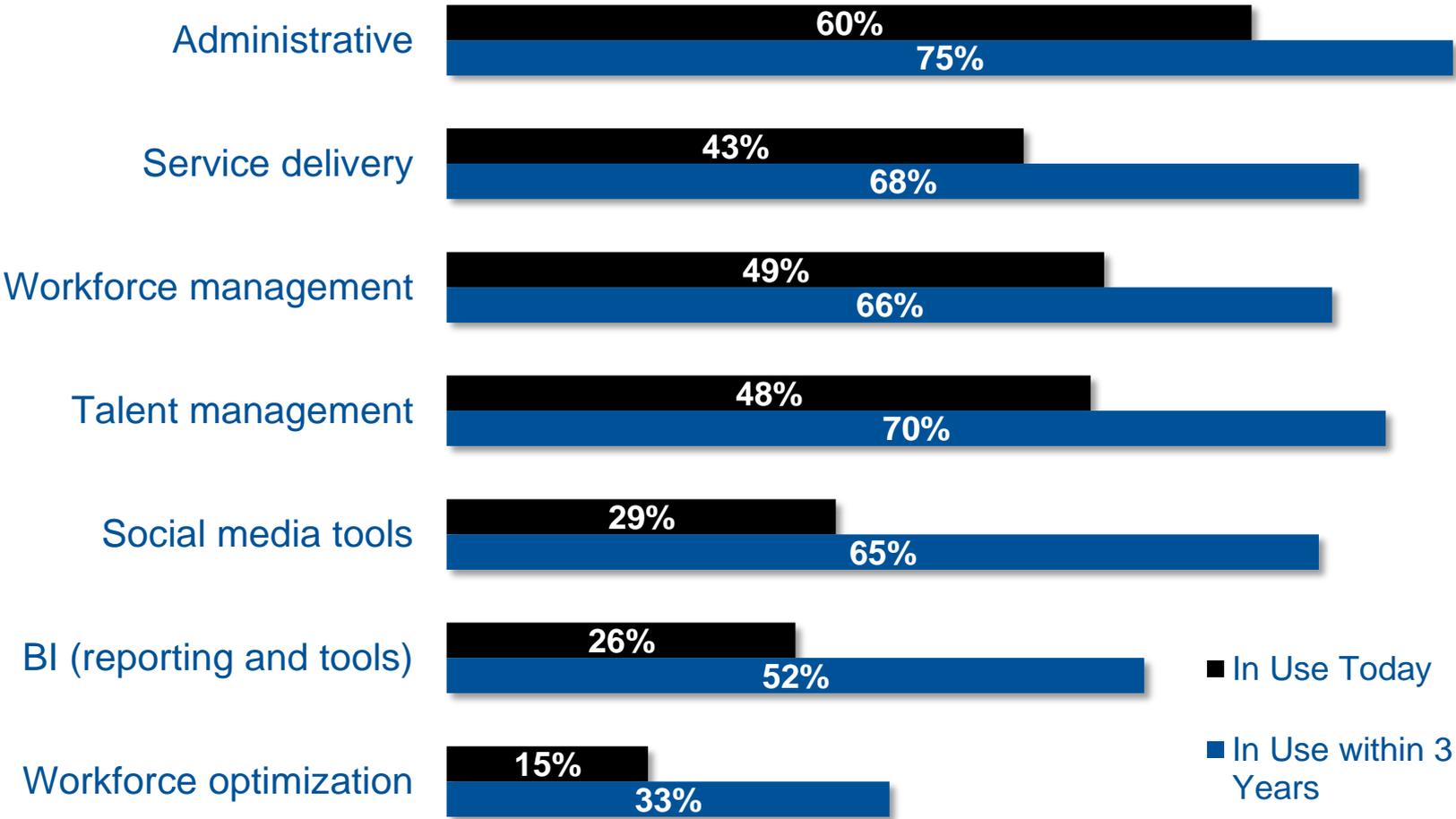
Three-year Application Outlook



APAC Three-year Adoption Outlook

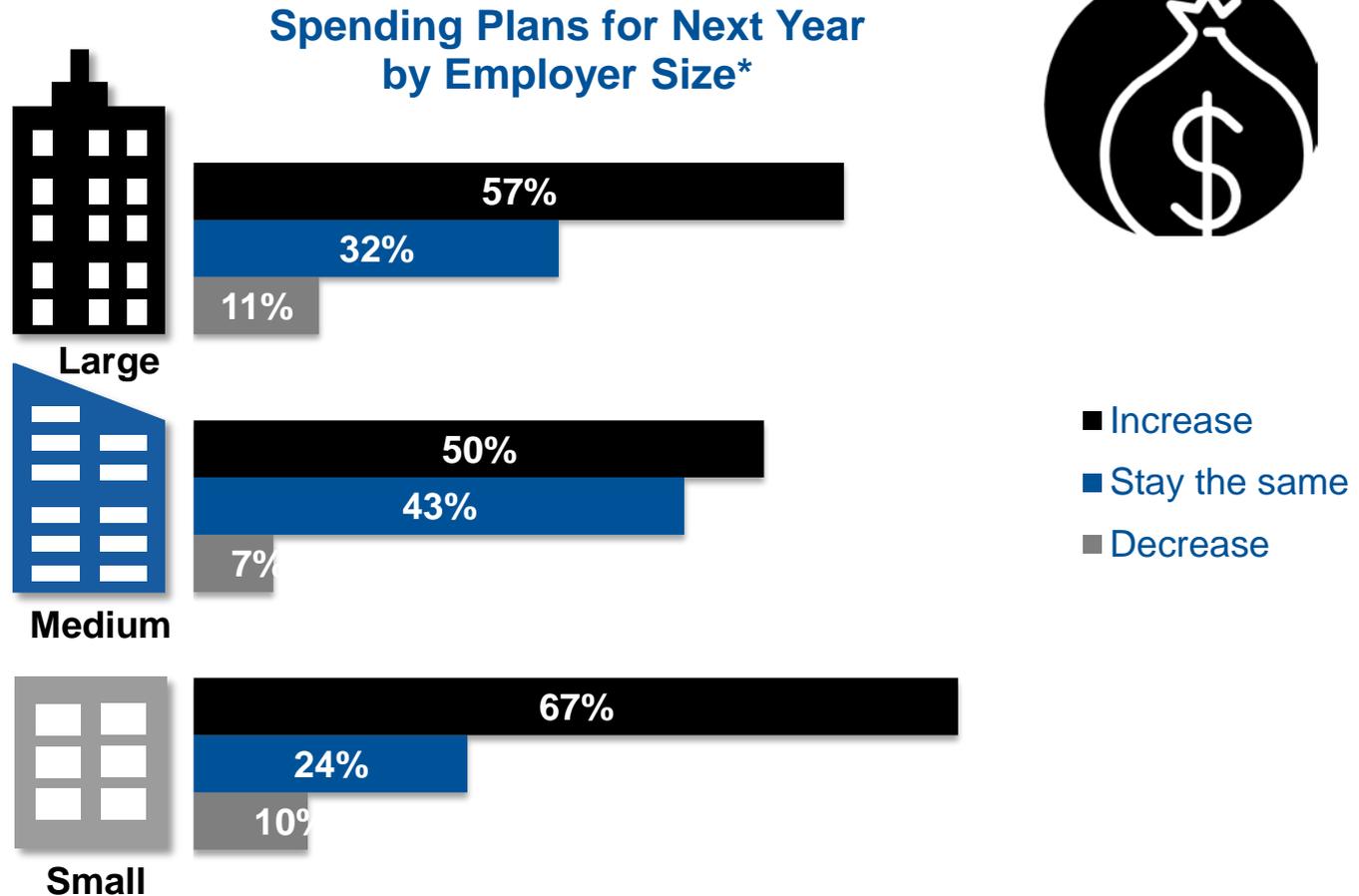
Looking Forward, Administrative, Talent, and Social tools

Three-year Application Outlook



European HR Tech Spending Outlook

Over 50% of Survey Respondents Will Increase Spending Next Year

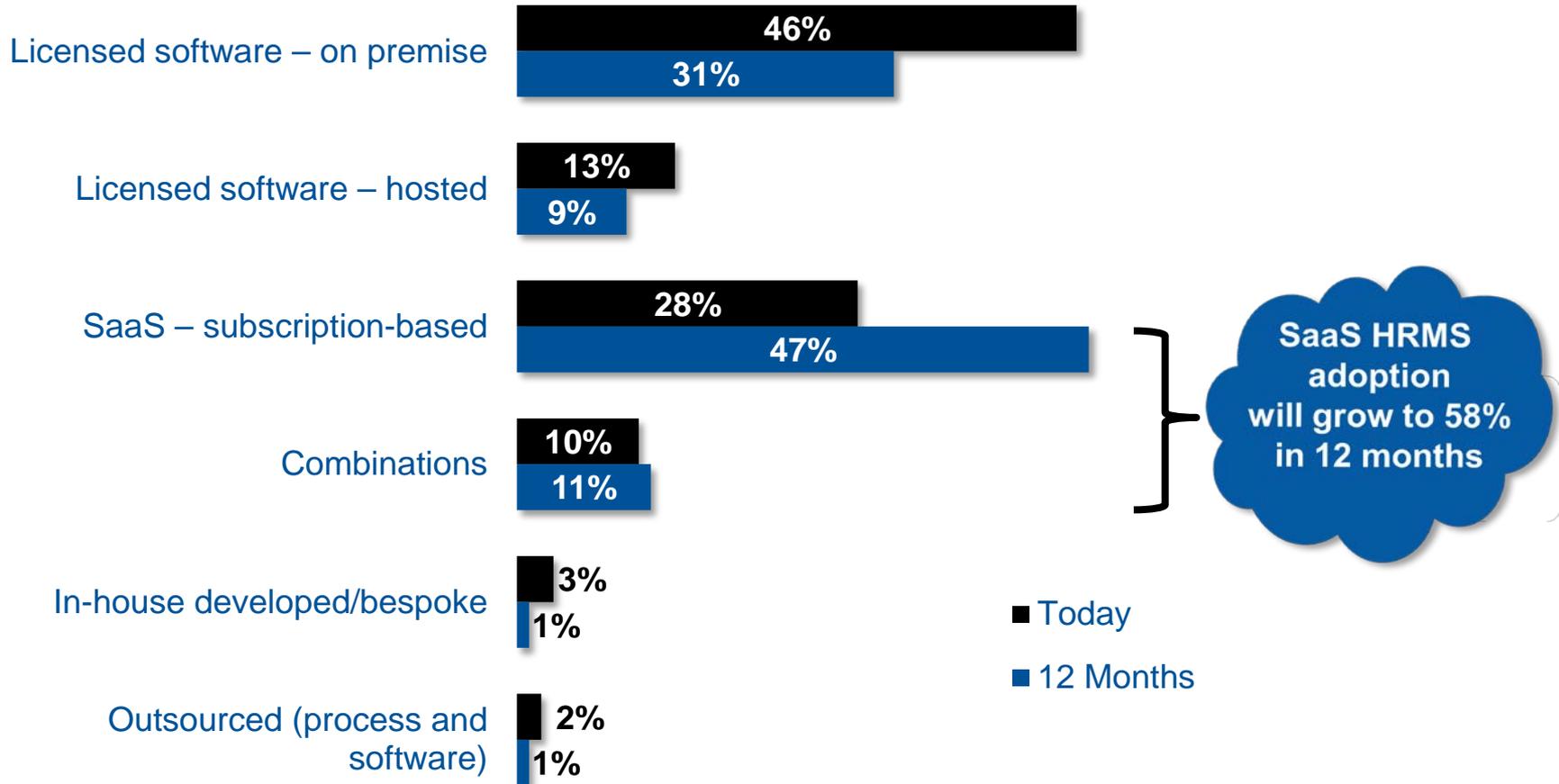


*Large = 10,000+; Medium = 2,500–10,000; Small = <2,500

2014–2015 HRMS Deployment Models

SaaS HRMS Deployments Will Overtake Licensed Next Year

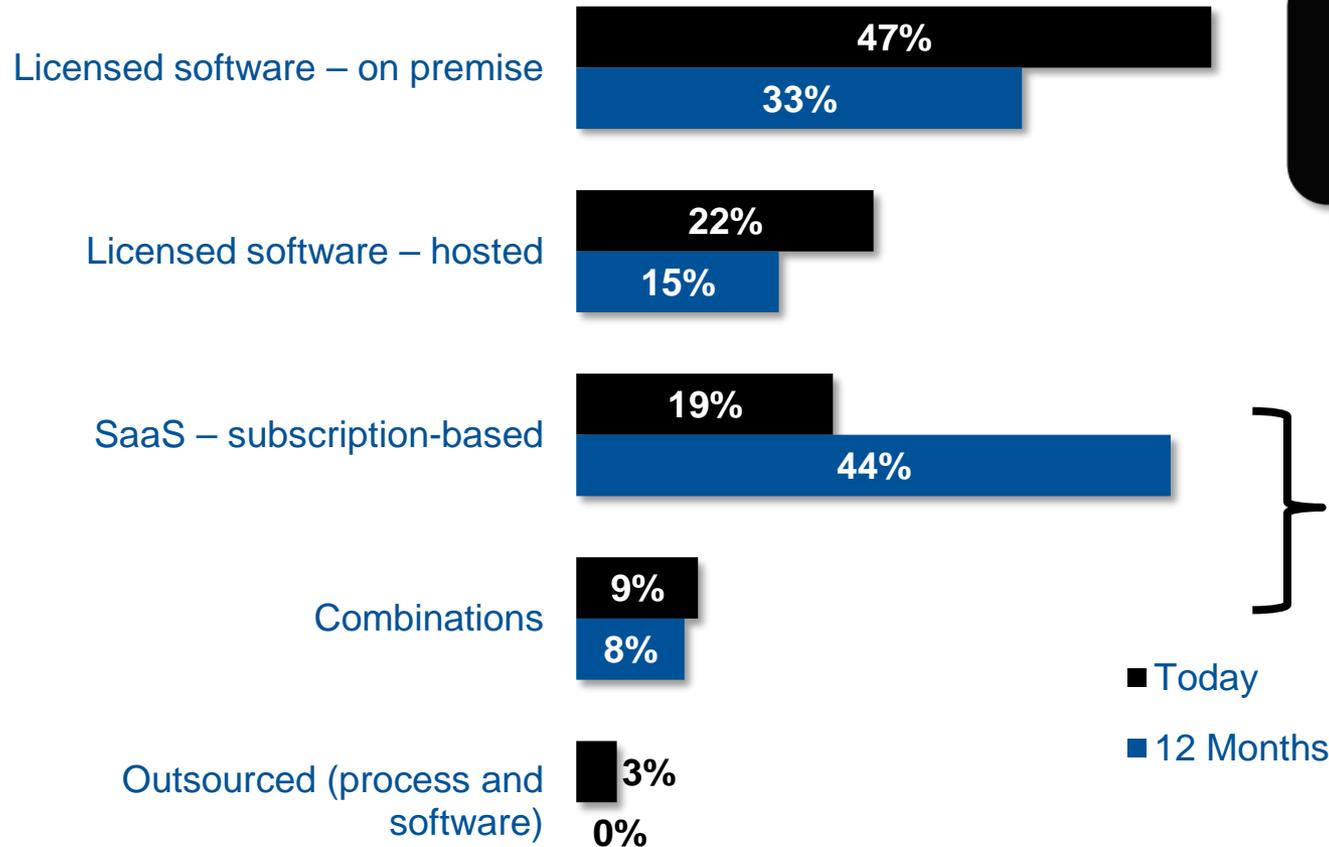
HRMS Application Deployment Only



European HRMS Deployment Models

In Europe SaaS HRMS Deployments are Hitting a Tipping Point

HRMS Application Deployment Only



Today Licensed Deployments are 78% in 12 months 56%

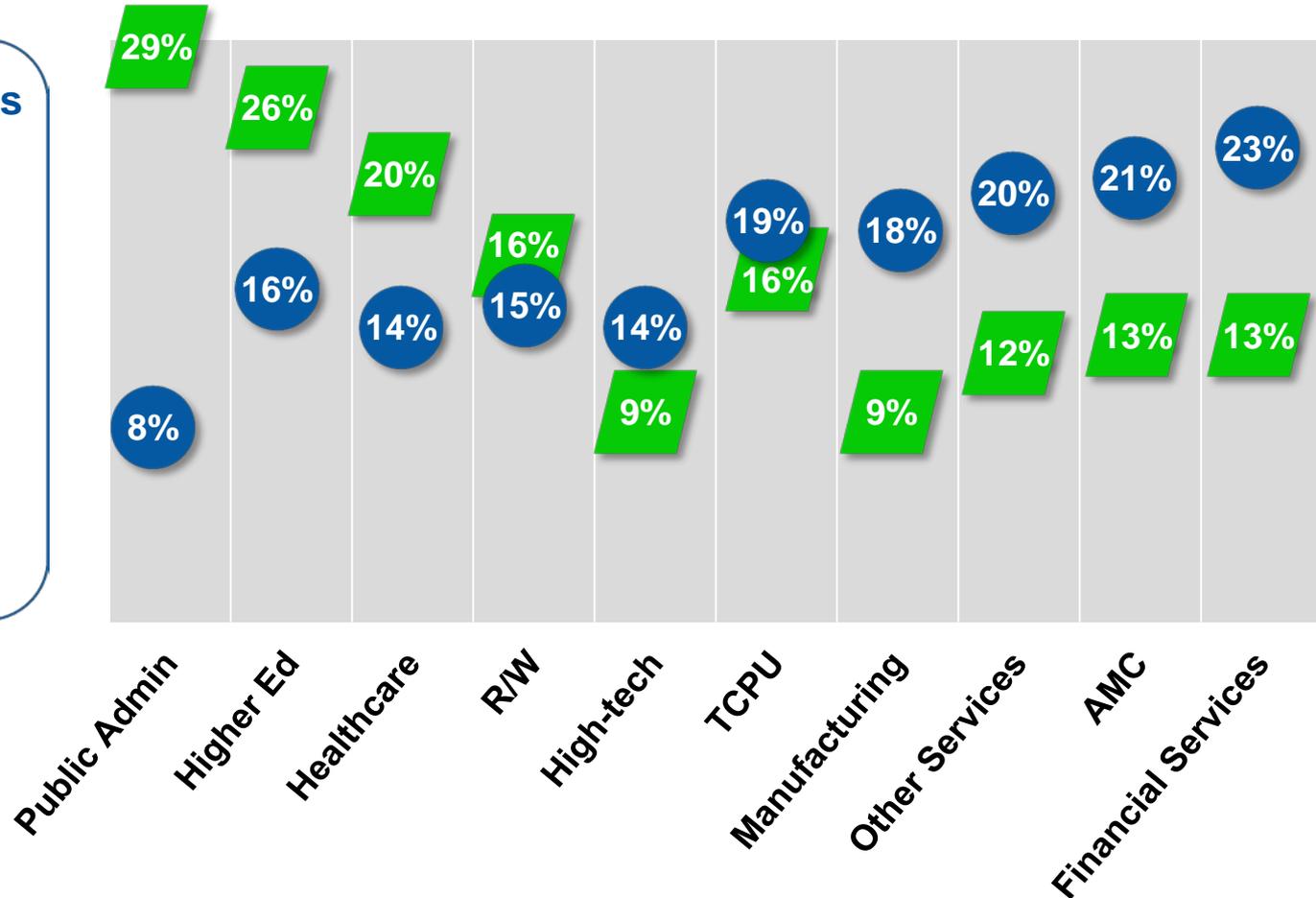
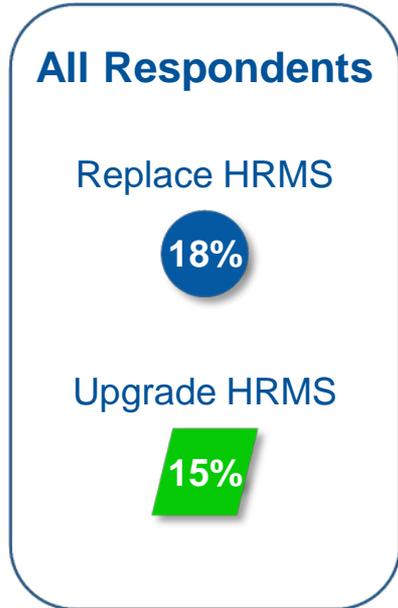
SaaS HRMS adoption will grow to 52% in 12 months

■ Today
■ 12 Months

More HRMS Replacement Initiatives

With Variations by Industry

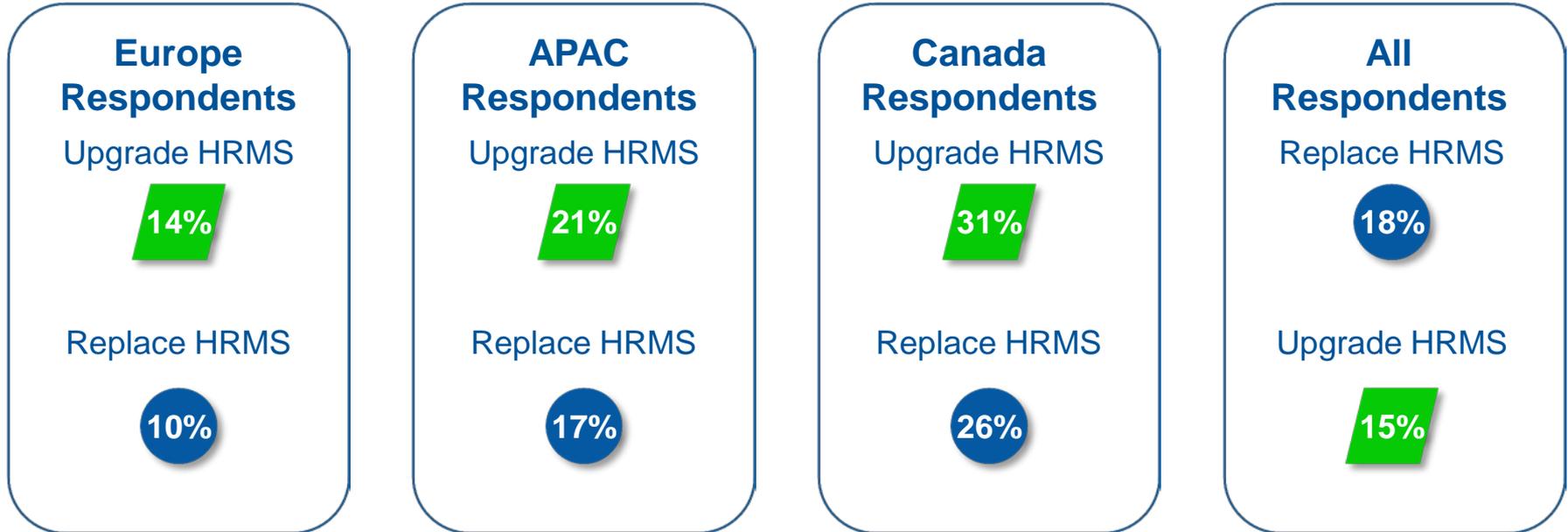
Upgrade vs. Replacements by Industry



n=823

HRMS Replacement Initiatives

With Variations by Region



HRMS European Vendor Landscape

12 Month Plans Indicate Increased SaaS Adoption

HRMS Vendor Adoption Outlook Overall

Please note that these represent survey adoption levels, not Market Share

	Overall	
	Today	In 12 Months
ADP	22%	15%
SAP HCM	19%	18%
Oracle PeopleSoft/JD Edwards	16%	14%
Oracle EBS	13%	7%
Workday	6%	17%
Kronos	6%	4%
Oracle HCM Cloud (Fusion)	3%	7%
SuccessFactors Employee Central	1%	4%
Other	30%	28%

* SAP adoption underrepresented

** Columns do not add to 100% as organizations have multiple solutions in use
Colored cells indicate greater than 5% gain or more than 5% loss in 12 months.

 +5% loss  +5% gain

n=80

#1 Reason For Moving is User Experience!

How Are Vendors Doing?

1 = **Poor**: not user friendly, excessive steps, limits use

2 = **Acceptable**: workable but requires training to use

3 = **Excellent**: intuitive, user centered design, effectively promotes use

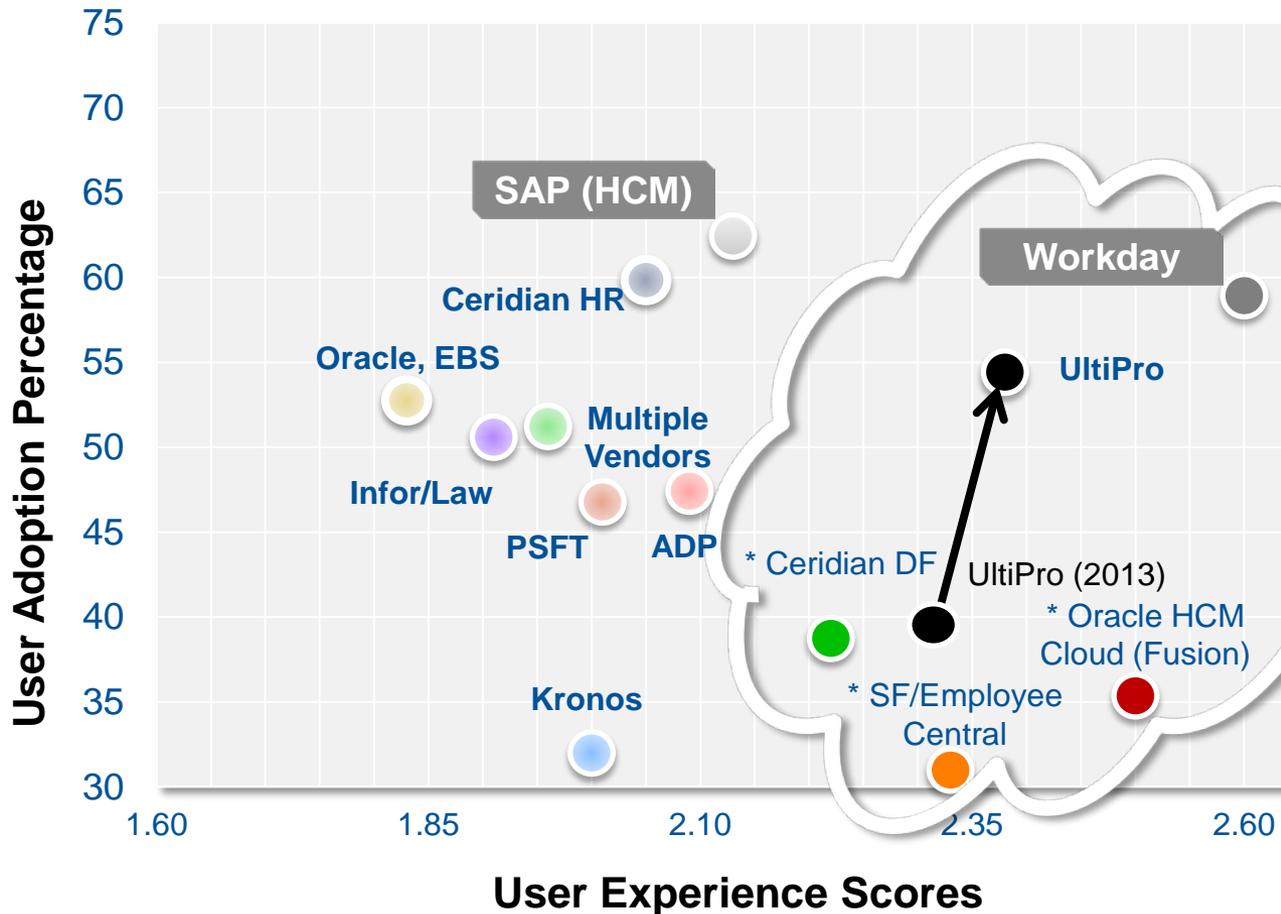
And, why is it is such a big deal?

It's about driving user adoption,
so both employees and the organization
get the most value from the solution!

User Adoption Level by User Experience Scores

Higher User Experience Scores with Newer Cloud Solutions

HR Management System
Manager User Adoption and User Experience



UltiPro:
Manager adoption, increased by 47% from last year.

Organizations with new cloud solutions will see increased adoption levels quickly.

* Sample Size Small, Indicative Data Only

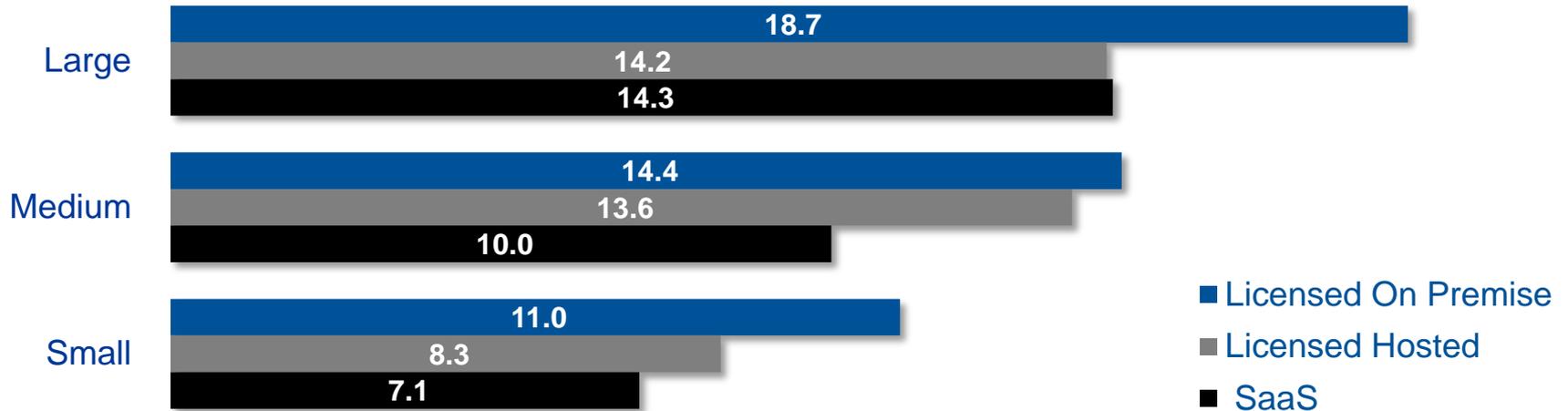
n=389

SaaS Takes Less Time to Deploy

Length of Time for New HRMS Deployments



Time for New Deployment for an HRMS by Size of Organization* in months



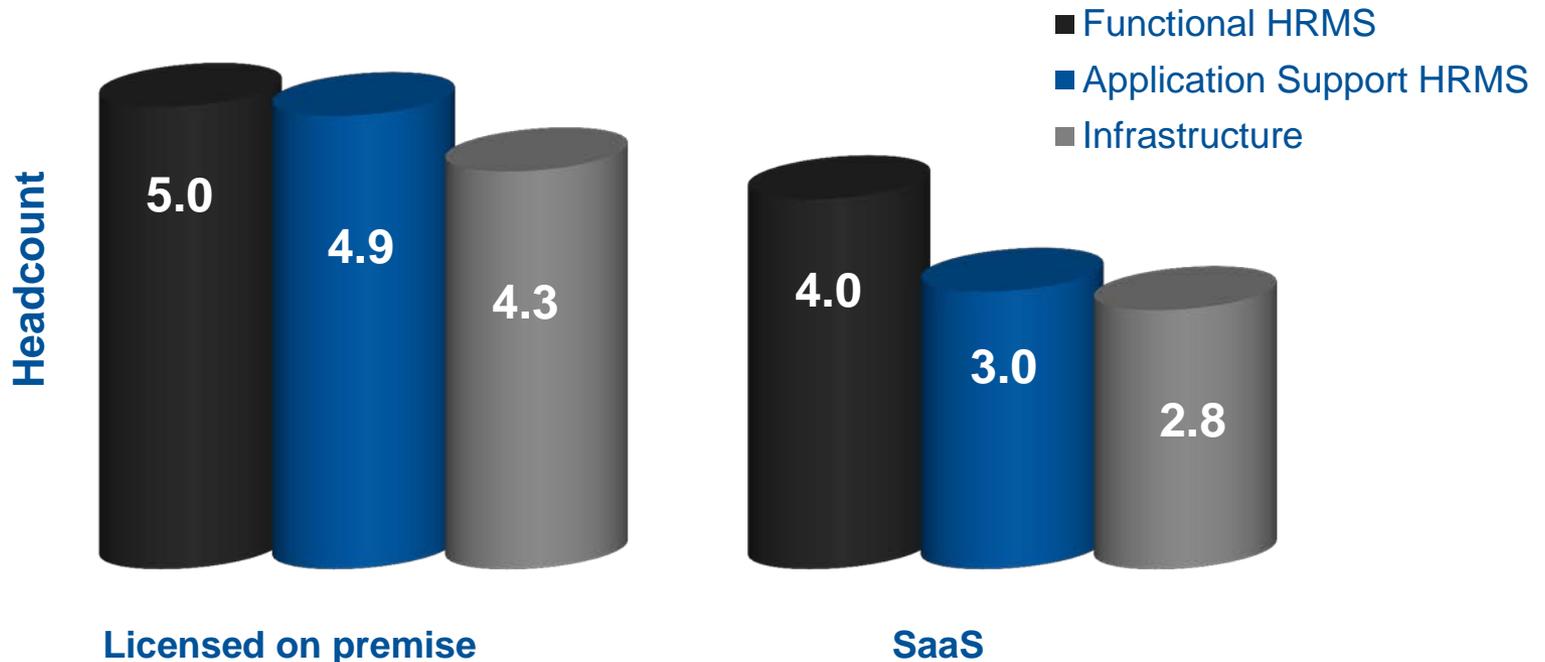
*Large = 10,000+; Medium = 2,500–10,000; Small = <2,500

n=536

SaaS Takes Less Resources

Requires Fewer Total HR Technology Headcount than Licensed Solutions

HRIT/IT Headcount by Deployment Type*



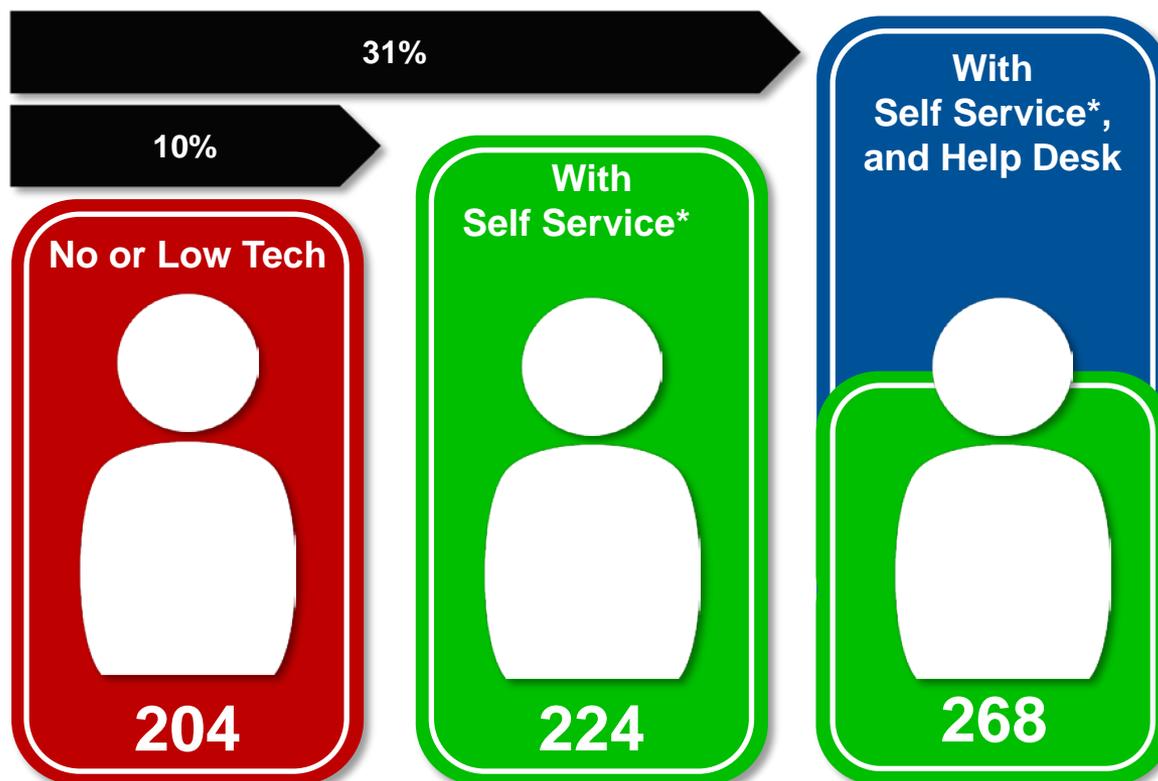
*All Licensed on premise and SaaS respondents from organizations with average of ~11,000 employees plus contingents served by the HRMS

SaaS advantage holds true across small, medium, and large organizations. It is best to benchmark for your size and industry.

Value of Service Delivery Technologies

Enable Serving More Workforce per HR Administrative Staff

Employees Served by
HR Administrative Headcount***



*With Self Service: Employee and manager self service applications serve 60% or more of employees and 50% or more of manager populations

***HR Administration is calculated with headcount

n=160

Top Adopters of WFM, TM, and BI

Achieve Higher Outcome Scores and Higher ROE



Top Workforce Management, Talent Management, and Business Intelligence Adopters:

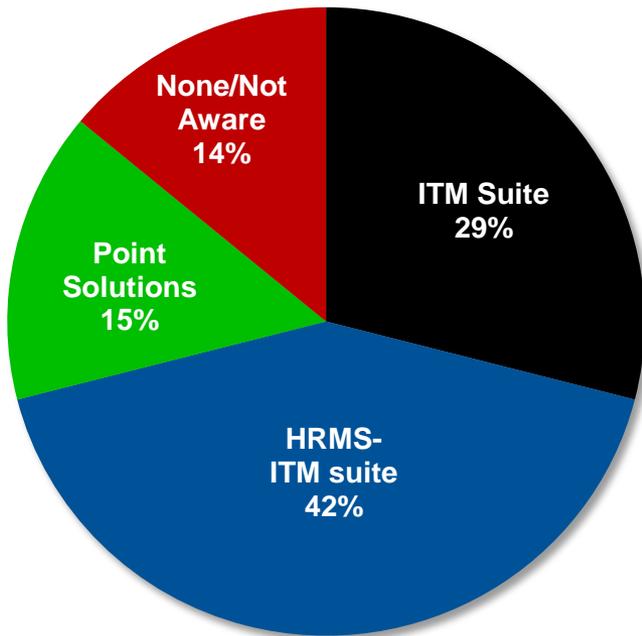
- Have across the board higher HR, talent and business outcome scores
- Achieve higher Return on Equity (31% higher than lower adopters)

They integrate WFM, TM, and HRMS data three times as often as lower adopters.

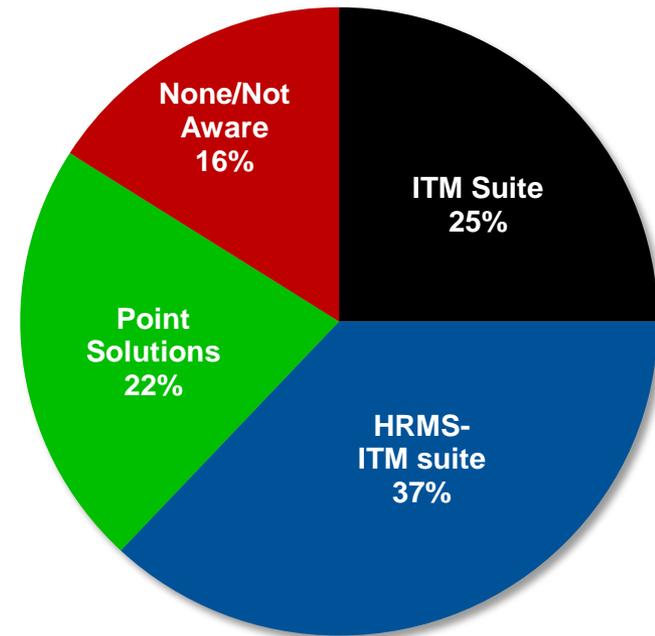
Integrated Talent Management

Aggregate versus European Approach to Talent Management

Aggregate Integrated Talent Management Approach



European Integrated Talent Management Approach



Integrated Talent Management Vendors

Adoption Continues to Increase in Cloud Solutions

Integrated Talent Management Vendor Adoption Outlook Overall

Please note that these represent survey adoption levels, not Market Share

	Overall	
	Today	In 12 Months
Oracle (PeopleSoft, EBS)	19%	12%
Oracle HCM Cloud (Taleo)	16%	20%
SuccessFactors/Plateau	14%	15%
SAP*	12%	9%
Lumesse (Stepstone/MRTed)	12%	10%
Cornerstone OnDemand	9%	12%
Workday	6%	16%
Kenexa	5%	4%
SumTotal/Softscape	4%	4%
Saba	4%	3%
Other	15%	18%

* SAP adoption underrepresented

Columns do not add to 100% as organizations have multiple solutions in use

Colored cells indicate greater than 3% gain or loss in 12 months.

 +3% loss

 +3% gain

n=80

Social-enabled Process Adoption

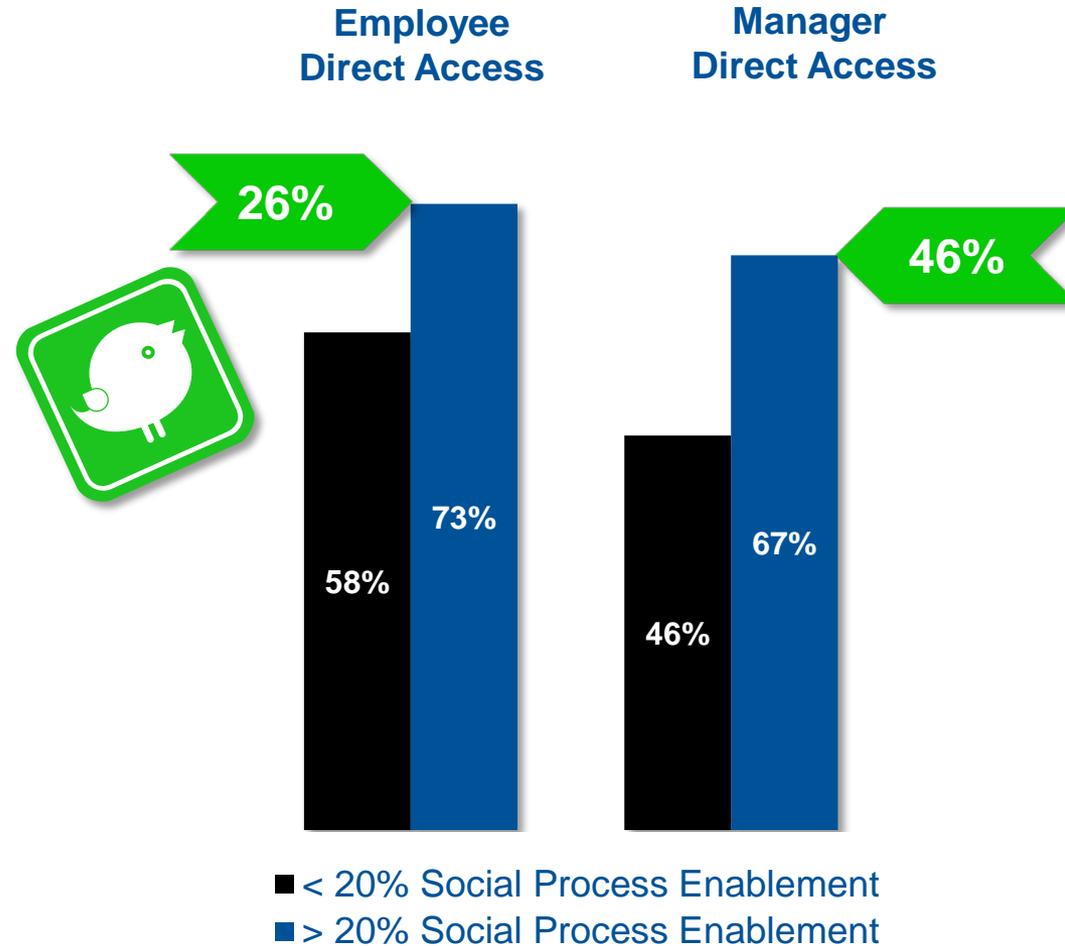
Recruiting Staff and Hiring Managers Have the Highest Levels of Use

Major Social-enabled HR Processes	Workforce Using	
	Today	In 12 Months
Administrative – HR management/record keeping	14%	21%
Workforce Management – Time and labor/time and attendance	8%	14%
Talent Management		
Recruiting	23%	29%
Performance management/Goal management	10%	16%
Learning and development	14%	22%
Compensation	5%	11%
Recruiting (recruiting/talent acquisition staff)	67%	74%
Recruiting (hiring managers)	26%	36%
Business Intelligence/Workforce Analytics	8%	13%
Average workforce adoption across all mobile-enabled processes	12%	18%

n=186

Adoption Impact of Social HR Processes

Higher Levels of Adoption Lead to Higher Levels of Use



n=188

Mobile-enabled Process Adoption

Mobile Adoption Will Grow by Over 100%

Major Mobile-enabled HR Processes	Workforce Using	
	Today	In 12 Months
Administrative	15%	33%
HR management/record keeping	11%	31%
Payroll	19%	35%
Workforce Management	8%	25%
Time and labor/time and attendance	7%	24%
Leave management	8%	27%
Absence management	8%	26%
Workforce scheduling/Labor scheduling	7%	23%
Talent Management	20%	37%
Recruiting	17%	31%
Performance management/Goal management	25%	40%
Learning and development	24%	37%
Compensation	20%	39%
Succession planning/management	13%	32%
Business Intelligence/Workforce Analytics	4%	13%
Average workforce adoption across all mobile-enabled processes	13%	27%

n=568

Why Add Mobile to Service Delivery Tech?

Higher HRMS User Experience Scores

HRMS User Experience Scores**
by Service Delivery Model



49% increase in user experience scores with combined self service, help desk, and mobile technologies.

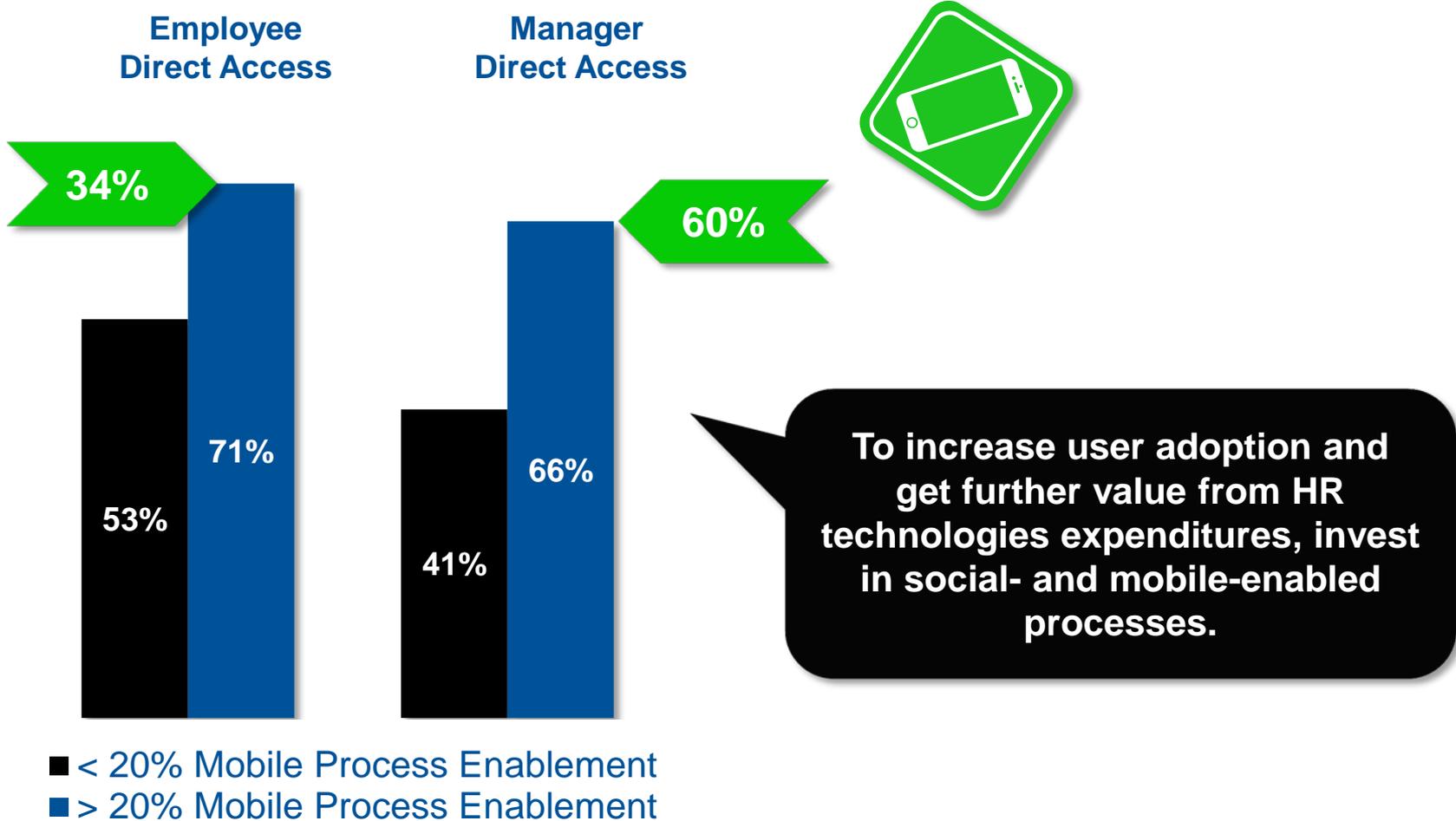
*With Self Service: Employee and manager self service applications serve 60% or more of employees and 50% or more of manager populations

**User experience scores based on a three point scale: 1 = Poor, 2 = Acceptable, 3 = Excellent

n=158

Adoption Impact of Mobile HR Processes

Higher Levels of Adoption Lead to Higher Levels of Use



n=188

Emerging Technologies

Gamification the Only One with Sizable Usage

	Workforce Using			
	All Today	Today EU	All Evaluating	No/NA
Gamification of applications	34%	43%		66%
Wearable technology	7%	15%	4%	89%
Social aggregation applications	4%	0%	6%	91%
Fatigue management applications	2%	0%	1%	97%
Robotics/artificial intelligence	1%	0%	3%	96%

Gamification

67% of organizations using gamification are using it for wellness programs.

Wearables

60% of organizations using wearables believe the benefit will be “increased workforce productivity.”

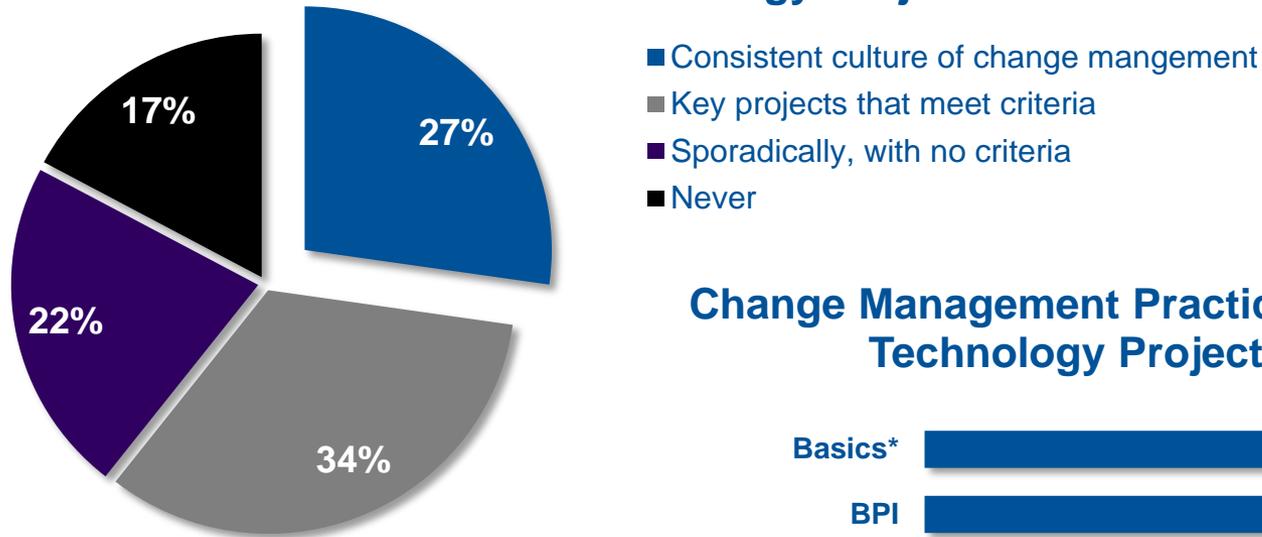
Social Aggregation

80% of organizations using SA tools search Twitter, Facebook, LinkedIn.
Newer media of Google+, YouTube, Pinterest, Instagram searched by 25% of respondents.

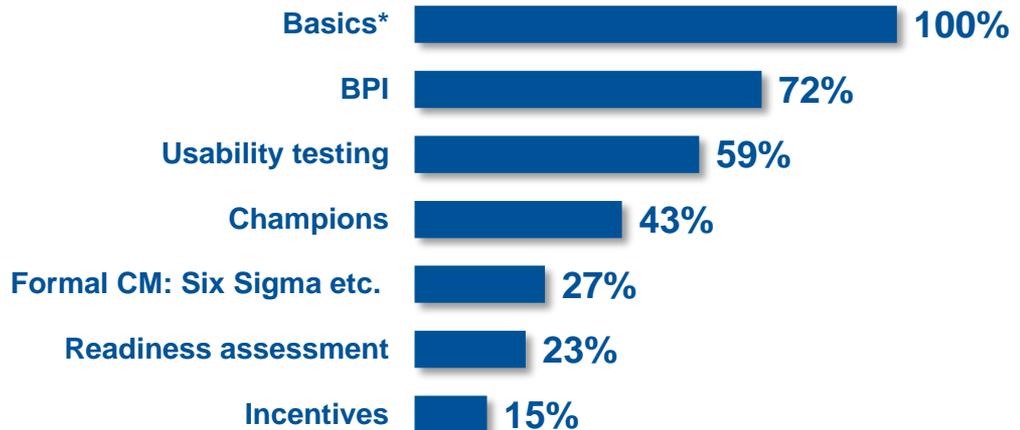
Change Management Practices

27% of Respondents Report a Culture of Change Management

Level of Change Management for HR Technology Projects



Change Management Practices for HR Technology Projects

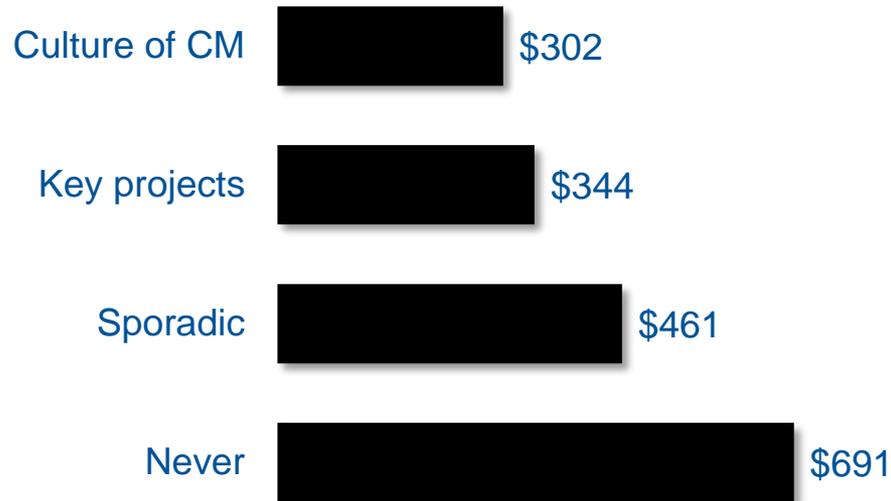


*Basics: Senior sponsorship, communications, documentation, training, and project management.

Benefits of Change Management

Reduces Costs and Increases Perception of HR as Strategic

Total HR Technology Costs/Employee



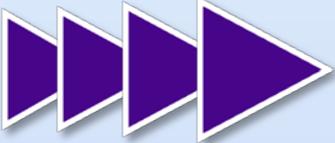
2 X

Change Management Increases Strategic Value of HR

Organizations with a Culture of Change Management are twice as likely to be viewed by all levels of management as contributing strategic value, versus at organizations that never uses change management.

Introducing the “Quantified Organization”

An Environment of Data-driven Decision Making

	Quantified Organization	Not Quantified
Better BI Process Maturity 	BI Process Maturity 3.2 Effective	BI Process Maturity 1.8 Efficient
More Manager Access to Analytics 	Managers with BI access 74%	Managers with BI access 20%
More Data Sources 	BI Sources 4.8	BI Sources 2.4
More Categories of Metrics 	Metrics Categories Tracked 4.2	Metrics Categories Tracked 2.8

Quantified Organizations Outperform!

They Have 79% Higher ROE than Non-QOs

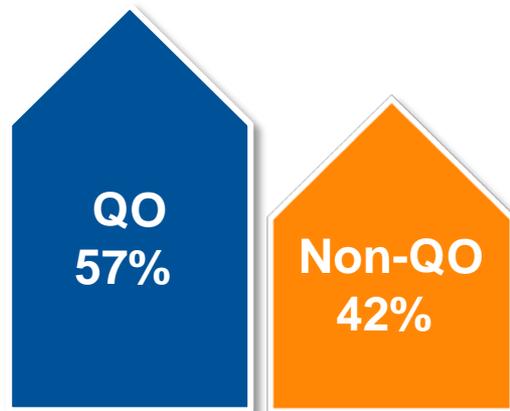
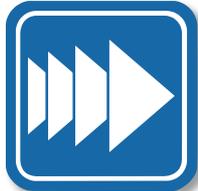
	Quantified Organization	Not Quantified
Return on equity measures an organization's success at generating profits from every unit of shareholders equity, such as that allocated for HR technologies. A company that earns an ROE in excess of its cost of equity capital adds value.	ROE 18%	ROE 10.1%



Lessons from Quantified Organizations

They Get the Basics Right

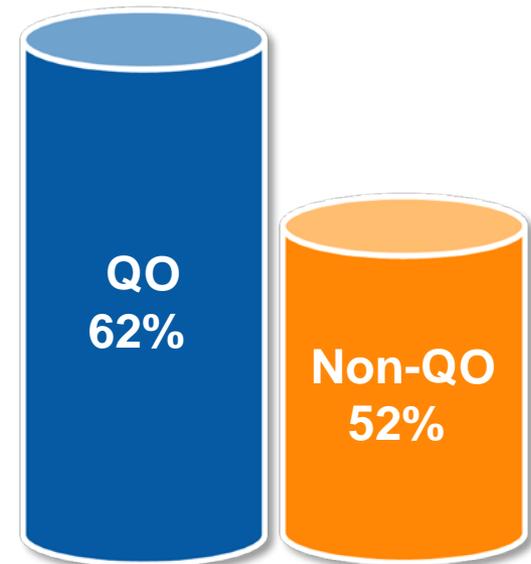
Process Standardization



Process Maturity



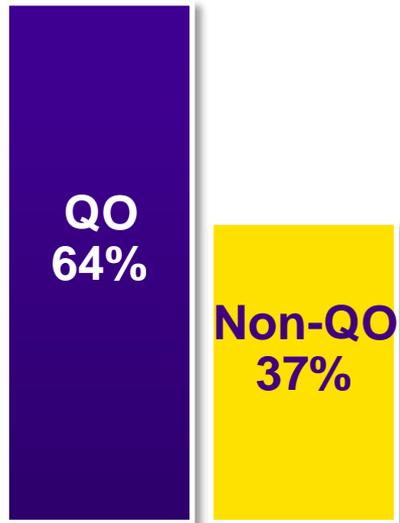
ITM on HRMS



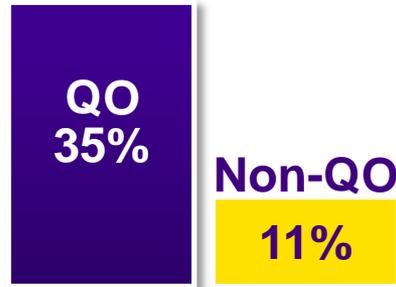
Lessons from Quantified Organizations

They Have Strategies and Culture that Support Performance

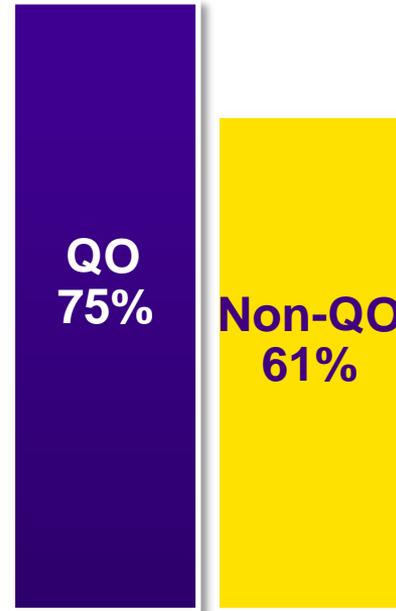
Updated HR Systems Strategy



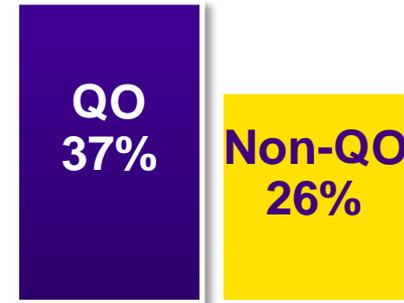
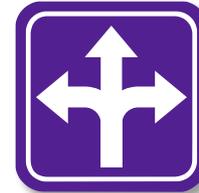
Enterprise Integration Strategy



Migrate to Enterprise BI



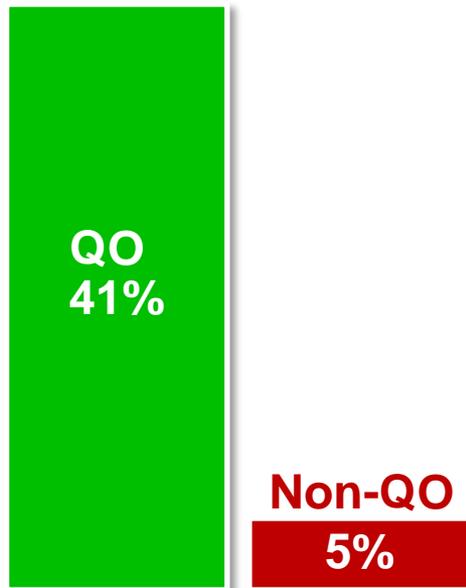
Change Management Culture



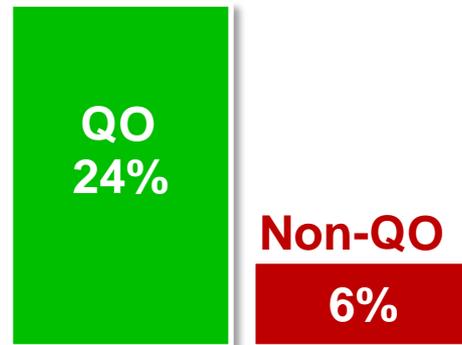
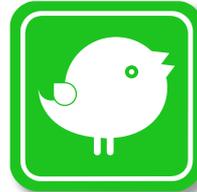
Lessons From Quantified Organizations

They Innovate with HR Technologies

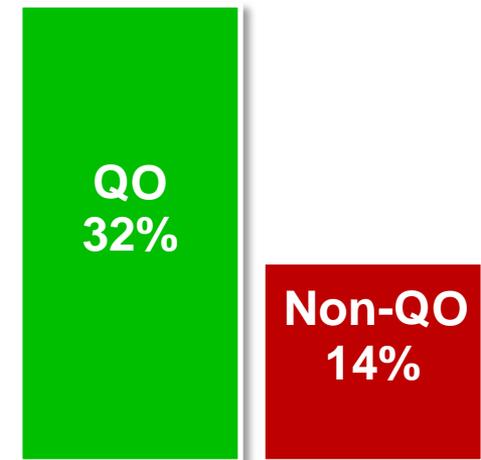
Adoption of
WFM, TM, and BI



Higher level of
Social adoption

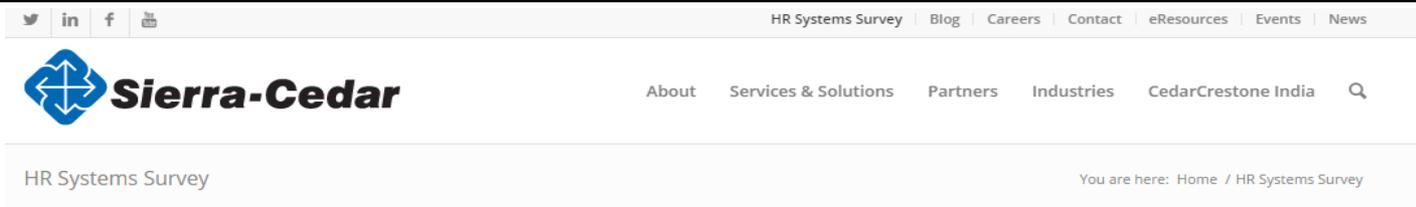


Higher level of
Mobile adoption



Visit Sierra-Cedar Website

Get Full Survey Details and Sign Up To Participate Next Year!



HR Systems Survey White Paper

HR Technologies, Deployment Approaches, Integration, Metrics, and Value

17th Annual Edition

DOWNLOAD NOW

The highly respected *Sierra-Cedar HR Systems Survey* is the longest-running industry research effort that tracks the adoption, deployment approaches, and value achieved from enterprise HR technologies. We study the roadmaps that organizations navigate and decisions they make regarding technology, integrations, processes, and people when building an empowered HR function that serves the workforce and supports organizational outcomes. We provide practical data on emerging and innovative technology trends and help organizations understand how they can capitalize on them. We share this research freely to assist organizations with developing their HR systems strategy, devising a plan, justifying investments, and ultimately executing on their HR technology vision. All responses are confidential and only used in aggregate results. [Download All HR Systems Survey White Papers](#)

Why participate?

The Survey results debut at the HR Technology® Conference on October 9, 2014. All respondents will receive a full advance copy of the results in early October. All who complete the Survey will be entered into a drawing for an in-depth *Benchmark Service*.

Participate in the next Survey:

Email *

Submit

2014-2015 Survey Facts and Stats



www.Sierra-Cedar.com/annual-survey