CedarCrestone 2013-2014
HR Systems Survey Highlights
HR Technologies, Deployment Choices, and Metrics
16th Annual Edition

In Houston!

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What the 16th Annual CedarCrestone Survey Says About Key Trends and More

Software as a Service (aka "the Cloud")

Replacements hit tipping point.

Social

Analytics

Mobile

Adoption continues to increase and result in value.

Integration/Unification Part 1

The new Holy Grail that few reach without a Unified solution.

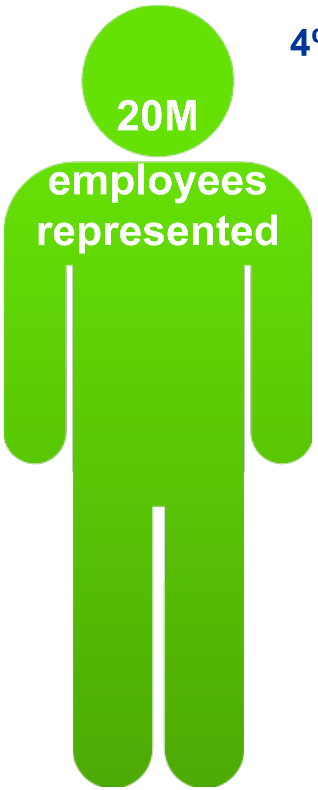
User Satisfaction

Newer products, later releases get higher scores. Improvement still needed!

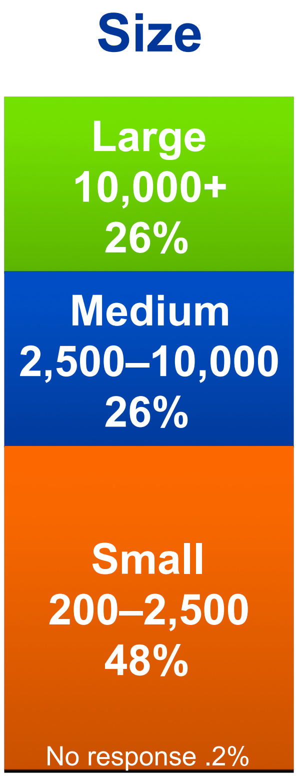
CedarCrestone 2013–2014 HR Systems Survey Demographics

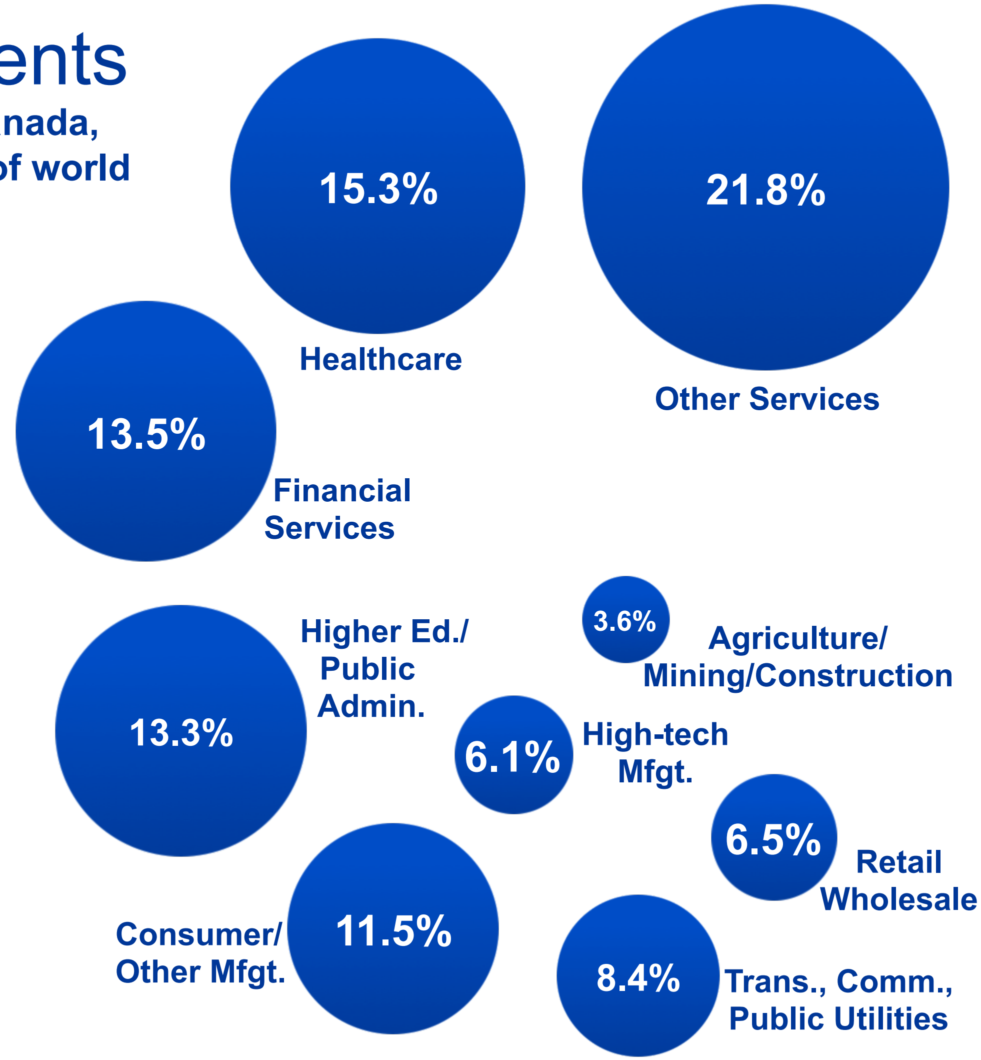
1,266 respondents

85% US, 6% EMEA, 5% Canada, 4% Australia/Asia and rest of world



Average number of employees = **15,876**





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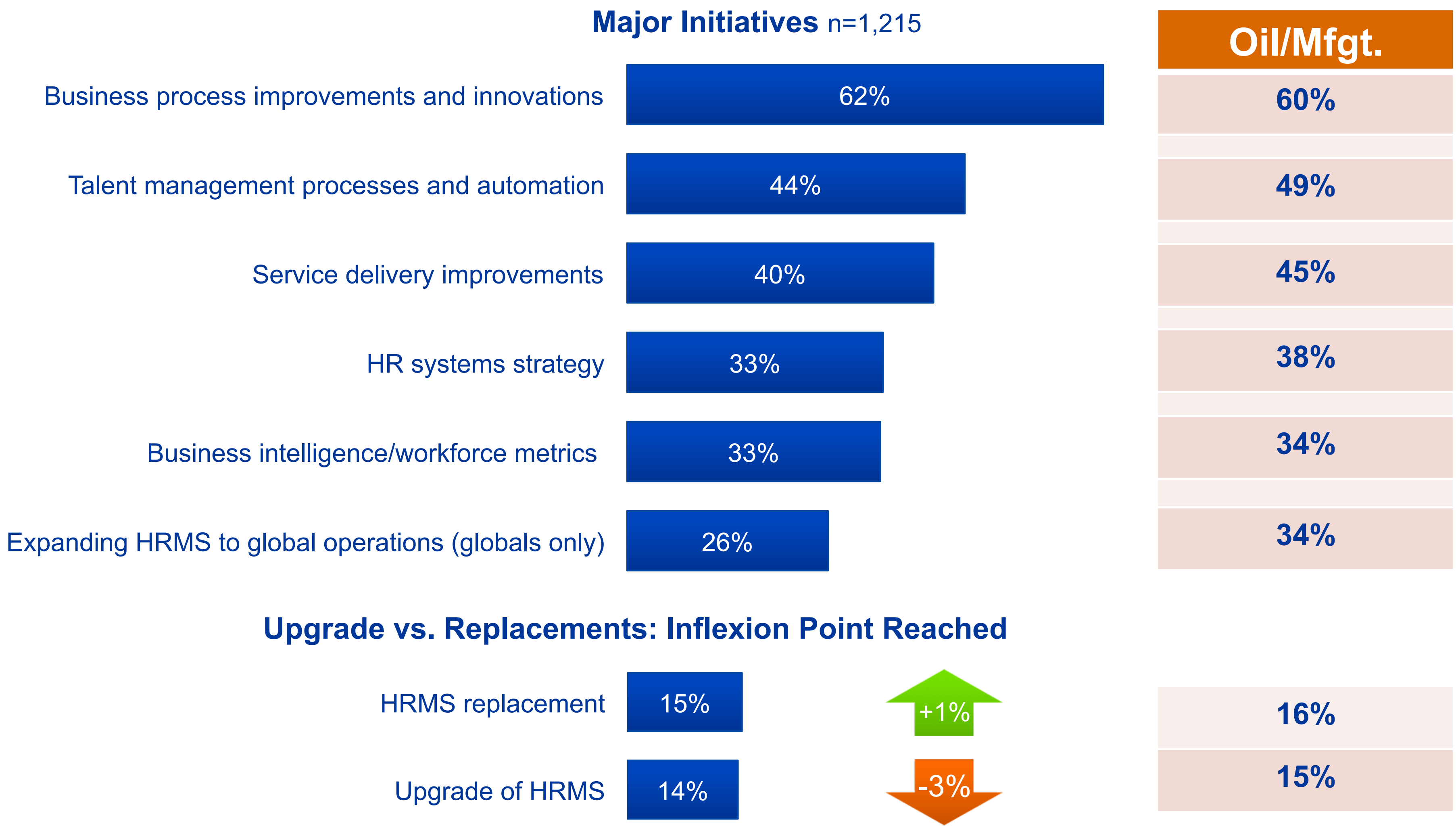
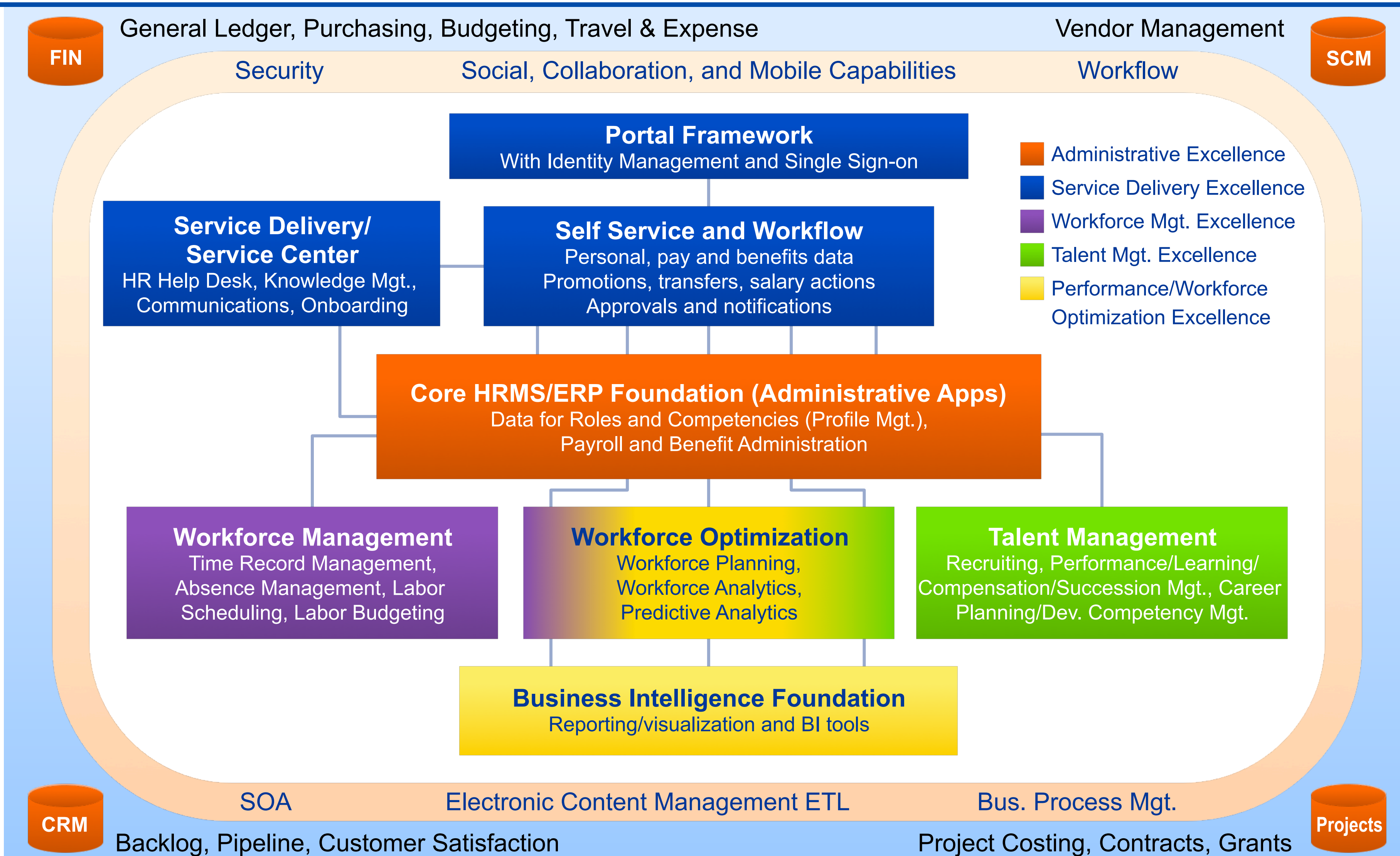
Major 2013 Initiatives
Similar to 2012 with One Inflexion Point Reached!



CedarCrestone HCM Integrated and Unified Application Blueprint

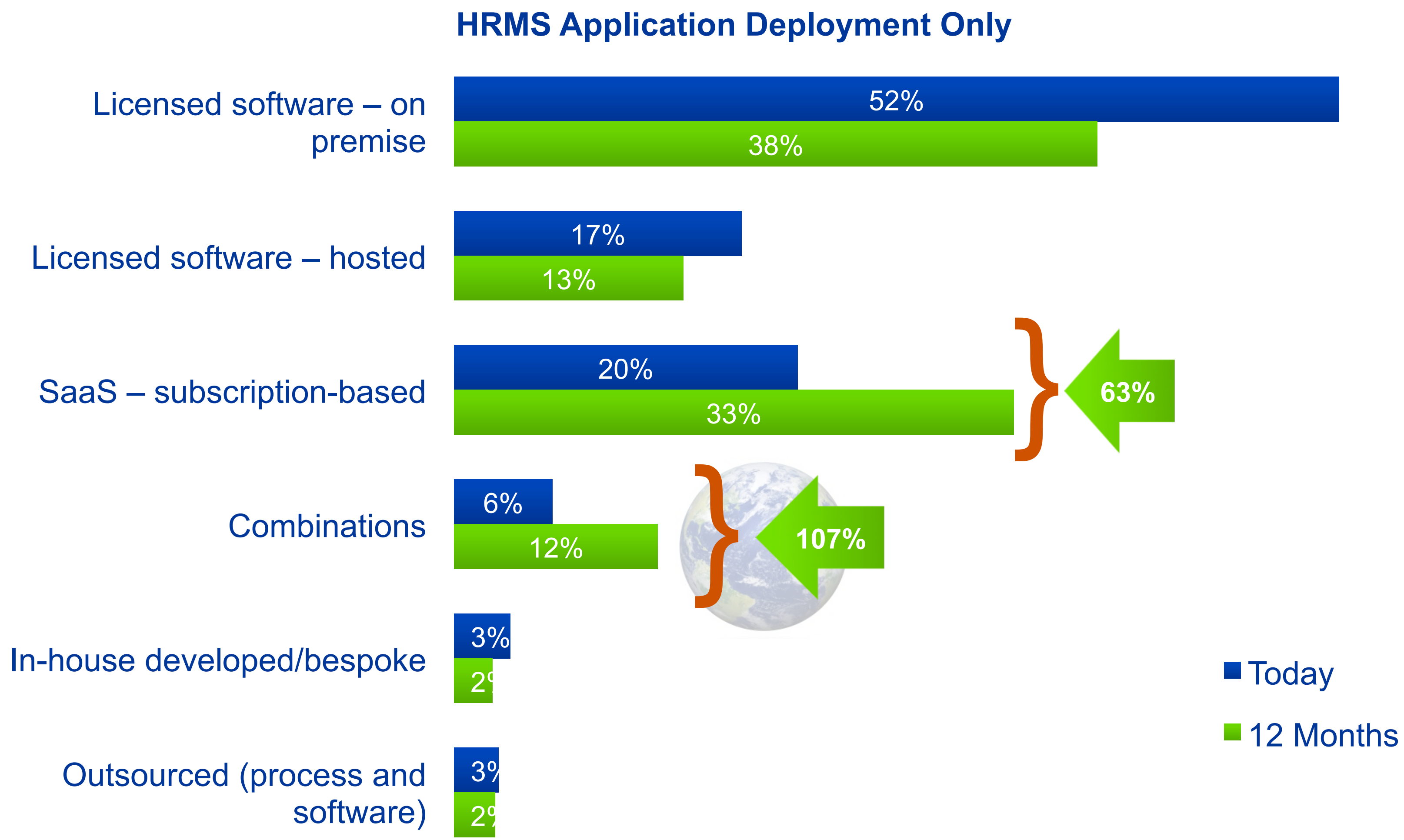


Oil/Manufacturing Organizations
Compared to Overall Adoption and Top Performers
Kudos on Talent Management; Some Possible Opportunities!

Application	Overall Adoption	All Oil/Mfgt. n=138	Very Large n=24	Large n=54	Medium n=60	Top Performers n=57
Administrative	92%	At Market	At Market	At Market	At Market	At Market
Service Delivery	44%	At Market	At Market	At Market	Lags	Leads
Workforce Management	43%	Lags	Leads	Lags	Lags	At Market
Talent Management	52%	Leads	Leads	Leads	At Market	Leads
Business Intelligence	44%	Lags	Leads	Lags	Lags	Leads
Workforce Optimization	14%	At Market	Leads	Lags	Lags	Leads
Social Media	33%	At Market	Leads	Leads	Lags	Leads
Applications where cohort leads (out of 33)		8	24	16	2	26

SaaS is Already the Direction for Talent Management
Now the HRMS Application is *Trending* Towards SaaS
Don't Forget Though that Licensed On Premise Still Leads

Core



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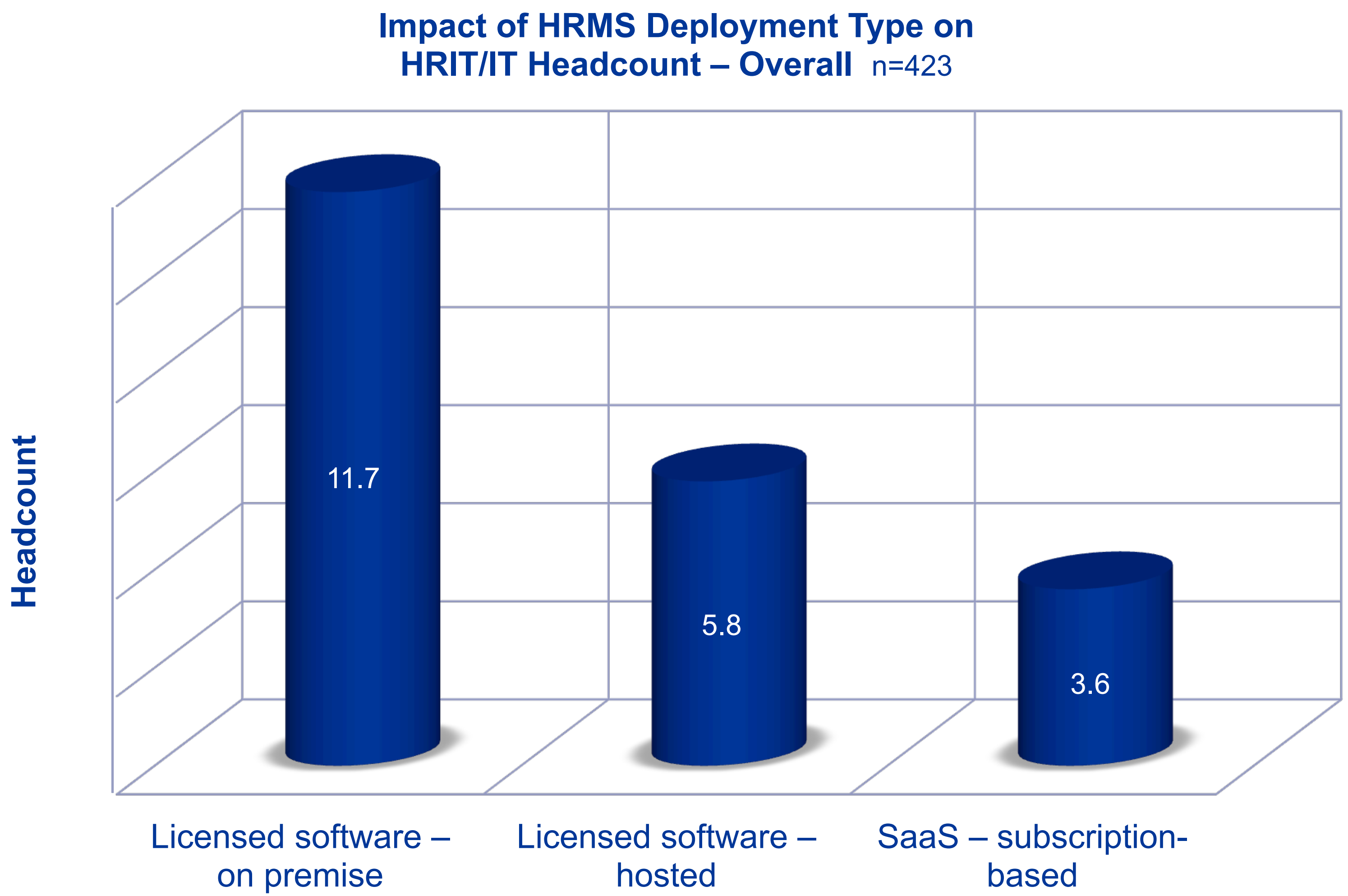
While 55% of Respondents Report They Will Not Move to a SaaS HRMS, Why Will 45%? n=1,231

Reasons for Moving to a New SaaS Core HRMS
n=556

Improving the User Experience Continues as #1 Reason to Move

SaaS Value Propositions:
A SaaS HRMS Takes 1/3rd the Staff Overall to Deploy/Support

Core



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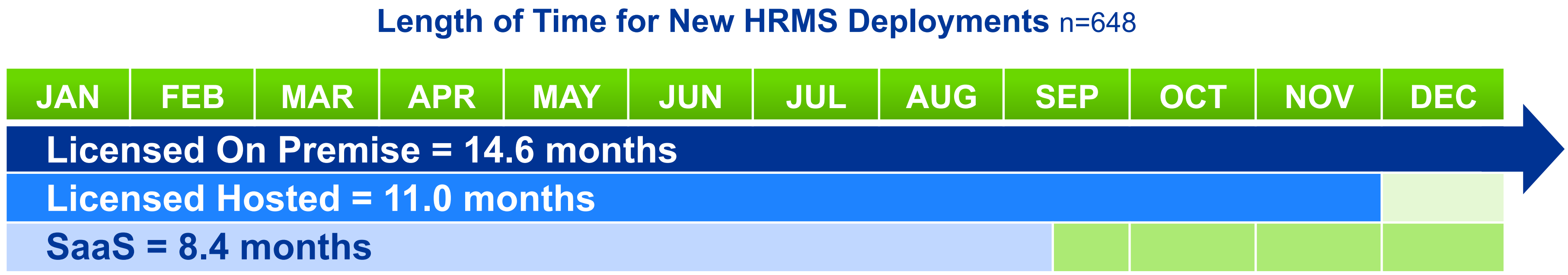
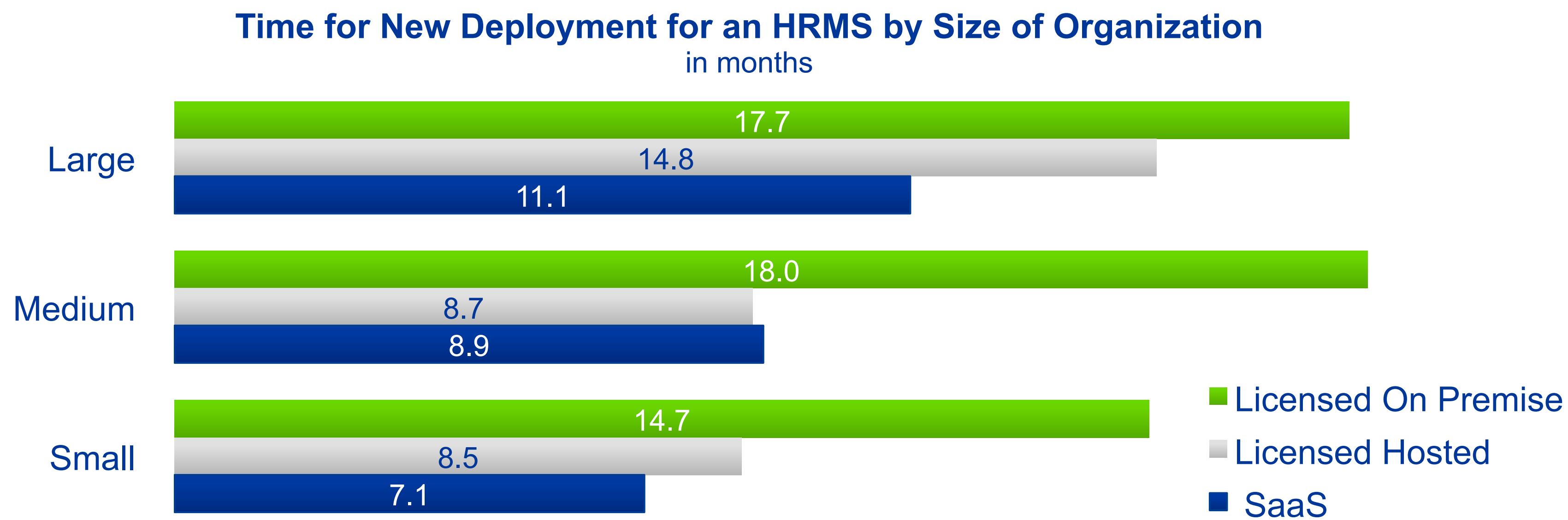
SaaS Takes Less Time to Deploy, Yielding Faster Time to Benefit





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The Future HRMS Battleground Will Be Fought Among Vendors with Cloud Offerings

Core

HRMS Respondent Adoption Overall*

n=636

	Overall	
	Today	In 12 Months
PeopleSoft	29%	26%
ADP	19%	18%
SAP	11%	12%
Ultimate Software	11%	12%
Kronos	11%	12%
Infor/Lawson	10%	10%
Oracle EBS	6%	5%
Workday	5%	12%
Ceridian HR	5%	4%
SuccessFactors	4%	6%
SumTotal	2%	2%
Oracle HCM Cloud (Fusion)	1%	4%
Ceridian Dayforce	1%	2%

*Colored cells indicate greater than 5% gain or loss projected in 12 months.
Organizations may have multiple solutions in use.

TOP PERFORMERS

Choose Workday: 11% vs. 5%

Since User Experience is the #1 Reason Most Organizations Plan to Move, 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

Workday Leads with Highest User Experience Scores, with PeopleSoft leading on User Adoption for Employee Direct Access. Workday Leads for Manager Direct Access.

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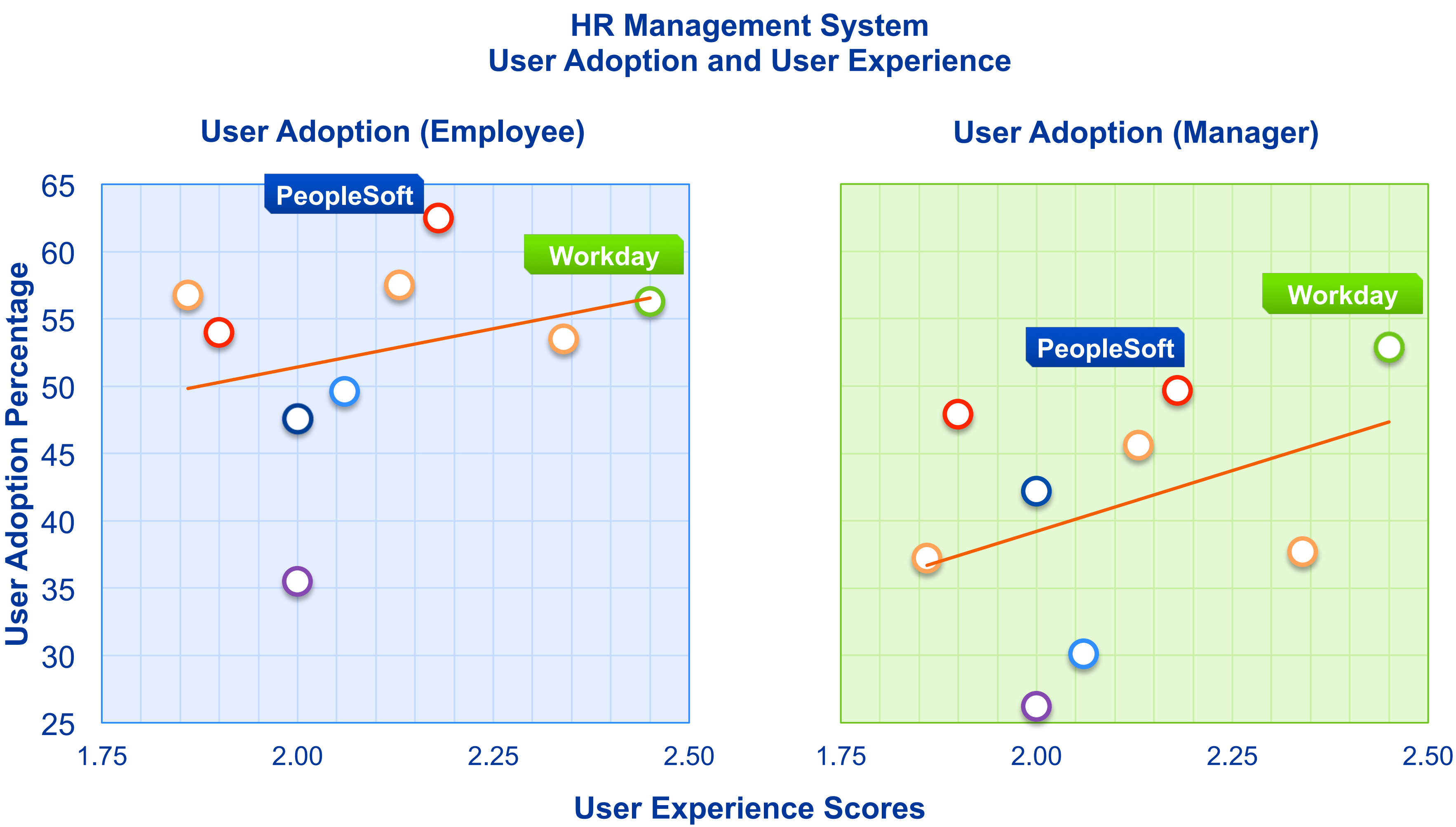

Most HRMS Customers Are DISSATISFIED!

However, Overall NPS Went up 11 Points from 2012. Software as a Service Solutions Achieve Highest Scores!

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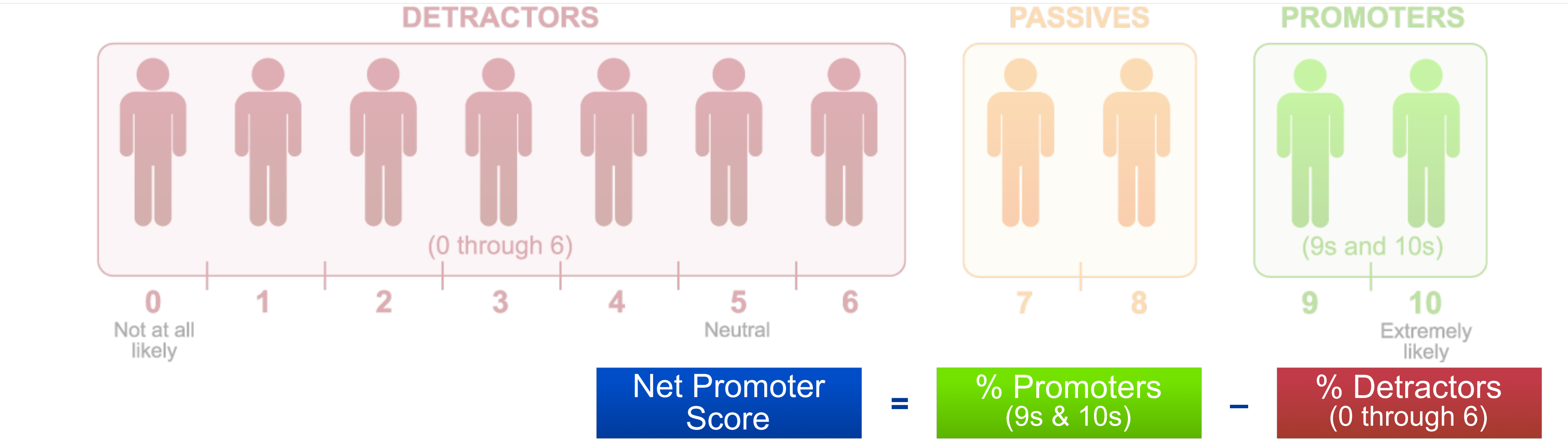

Net Promoter Score by HRMS Deployment Approach

HRMS Vendors n=667

	Net Promoter Score	Promoters	Detractors
Overall	***-31***	***19%***	***50%***
Licensed on Premise (379)	-37	10%	47%
Licensed Hosted (123)	-48	14%	62%
Outsourced (19)	-46	7%	53%
Software as a Service (146)	-7	33%	40%

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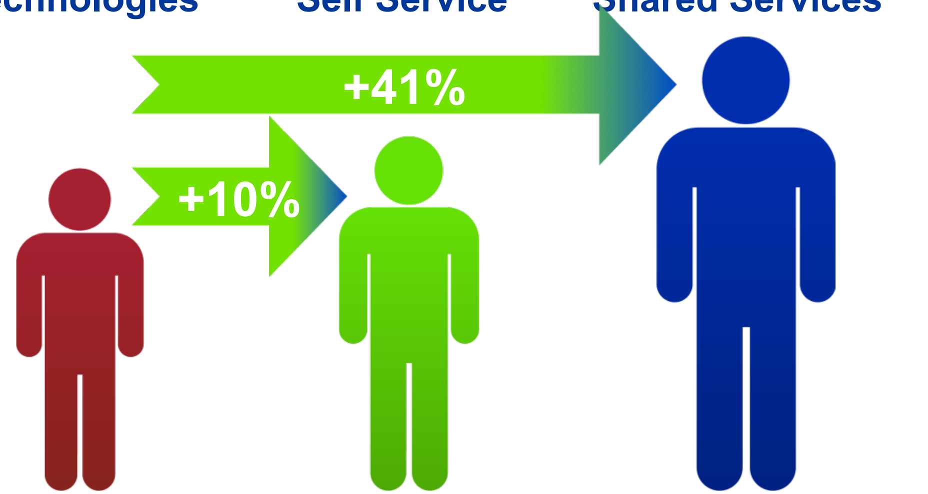
Service Delivery Approach Value:
Organizations *with Technologies** Serve More Employees

ESS/MSS

Employees Served by HR Administrative Headcount***

Without Technologies | **With Self Service*** | **With Self Service and Shared Services****



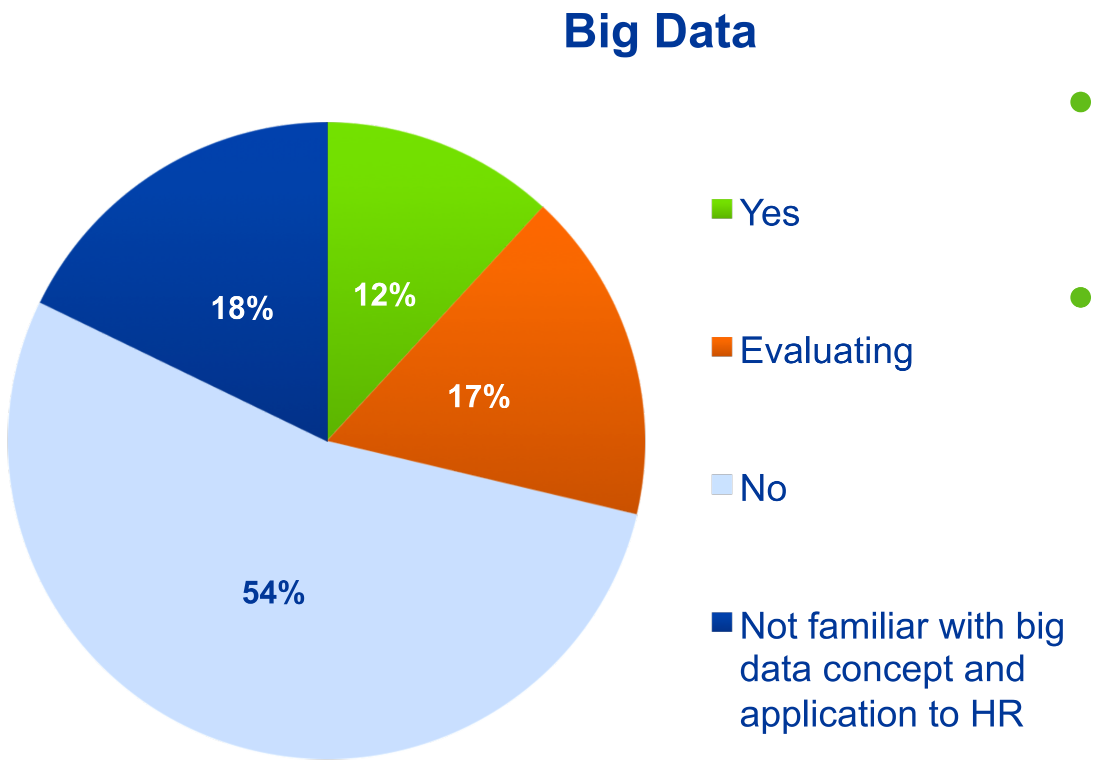
413 | **454** | **582**

*With Self Service: Employee and manager self service applications serve 40% or more of employees and 25% or more of manager populations
**With Self Service and Shared Services: Also serving 75% or more of the workforce through a Shared Service Center
***The CedarCrestone survey now calculates the ratio using HR administrative headcount rather than HR administrative FTE as in past years

SERVICE DELIVERY VALUE:
The Shared Services Model—including an HR Help Desk Application consistently delivers the highest level of efficiency.

Emerging Technology: Big Data

12% Report Adoption, Up from 7% in 2012. Among the Remainder Only 18% Report They are Unfamiliar, Down from 41% in 2012.



- Most frequently used in Large organizations
- More frequently used or under evaluation in Healthcare, High-tech, Higher Education, and Financial Services

Q: Do you leverage large scale data collection, data mining, and pattern recognition applied to workforce data to meet business outcomes? n=617

Lessons Learned from 16th Annual Survey

- Lesson #1: Get the basics right and keep it simple
- Lesson #2: Invest in more HR technologies
- Lesson #3: Make talent management a priority
- Lesson #4: Put technology into the hands of your employees and managers – especially BI

Where to Go for More Information

- http://www.cedarcrestone.com/survey for survey report
- Sign up for survey updates on our website:

Please Download the Whole Report

- Comparative expenditure data
- Value-chain factor analysis
  - Shows that social, mobile, and workforce management applications yield not only key HR outcomes but business outcomes.
- Key service delivery trends
  - System consolidation and shared service center increases leading to transformation
- Gamification and other emerging technologies
- Check out the latest IHRIM Wire for detail on point solution vendors and detail application adoption. http://www.ihrim.org/Pubonline/Wire/Sept13/CedarCrestone_16thSurvey_IHRIMWire.pdf

Benchmark Service:
Application Dashboards

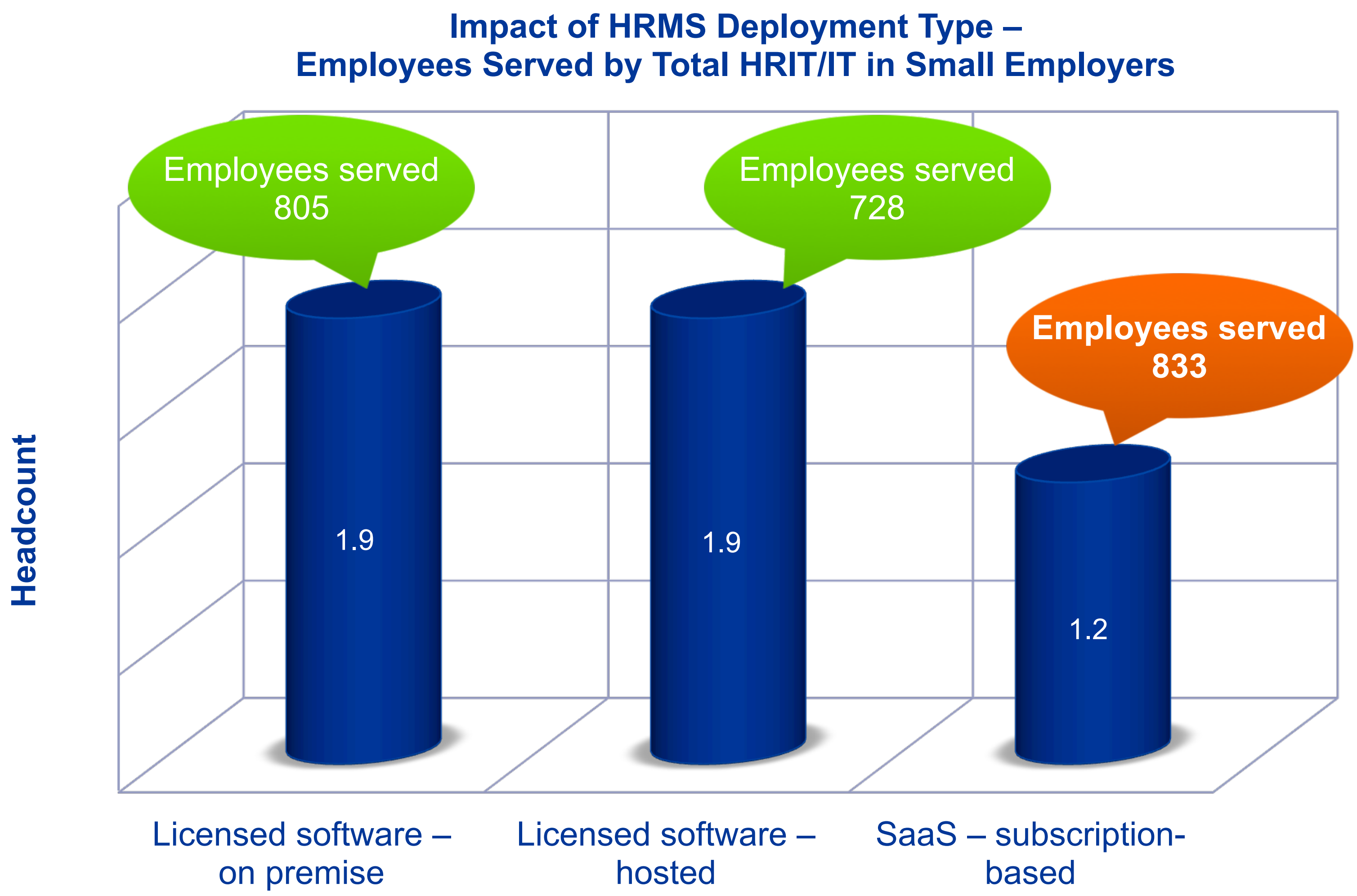
Sample Customer Benchmark Analysis

	Your Organization	Direct Competitors	Same size, Global, white collar	Optimized service delivery
Administrative Applications	Leads	At market	At market	At market
Service Delivery Applications	Leads	Leads	Lags	At market
Workforce Management Applications	At market	Leads	Lags	At market
Talent Management Applications	At market	At market	Lags	At market
Business Intelligence Applications	Leads	Leads	Lags	Lags
Workforce Optimization Applications	At market	At market	Lags	Lags
Social Media Used Strategically	Leads	Leads	Lags	Lags
*Assessment by CedarCrestone based on review of all HR applications in use or planned for deployment		Adoption level leads by 5%		Adoption level lags by -5%

Sample dashboard that compares you to others in your industry, of your size, to the "top quartile" in your industry, or to overall industry top performers. It should be the starting place of any update to your HR systems strategy. Contact HRSystemsSurvey@CedarCrestone.com for pricing.

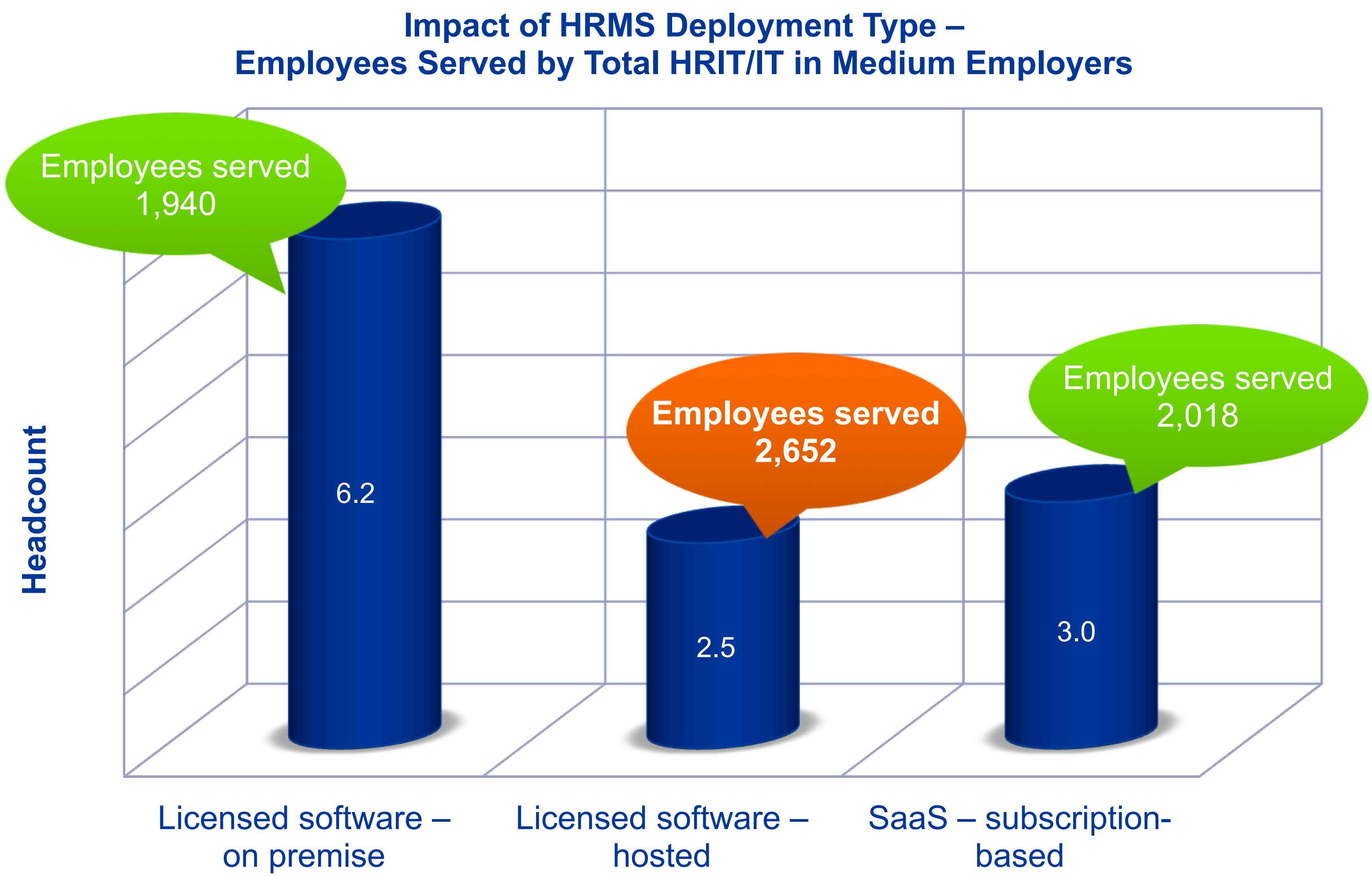
Appendix

2013: And There's a Story Here:
In Small organizations, a SaaS HRMS serves more



2013: In Medium-sized Organizations, a Licensed Hosted Solution Serves More Employees

But not in All Industries



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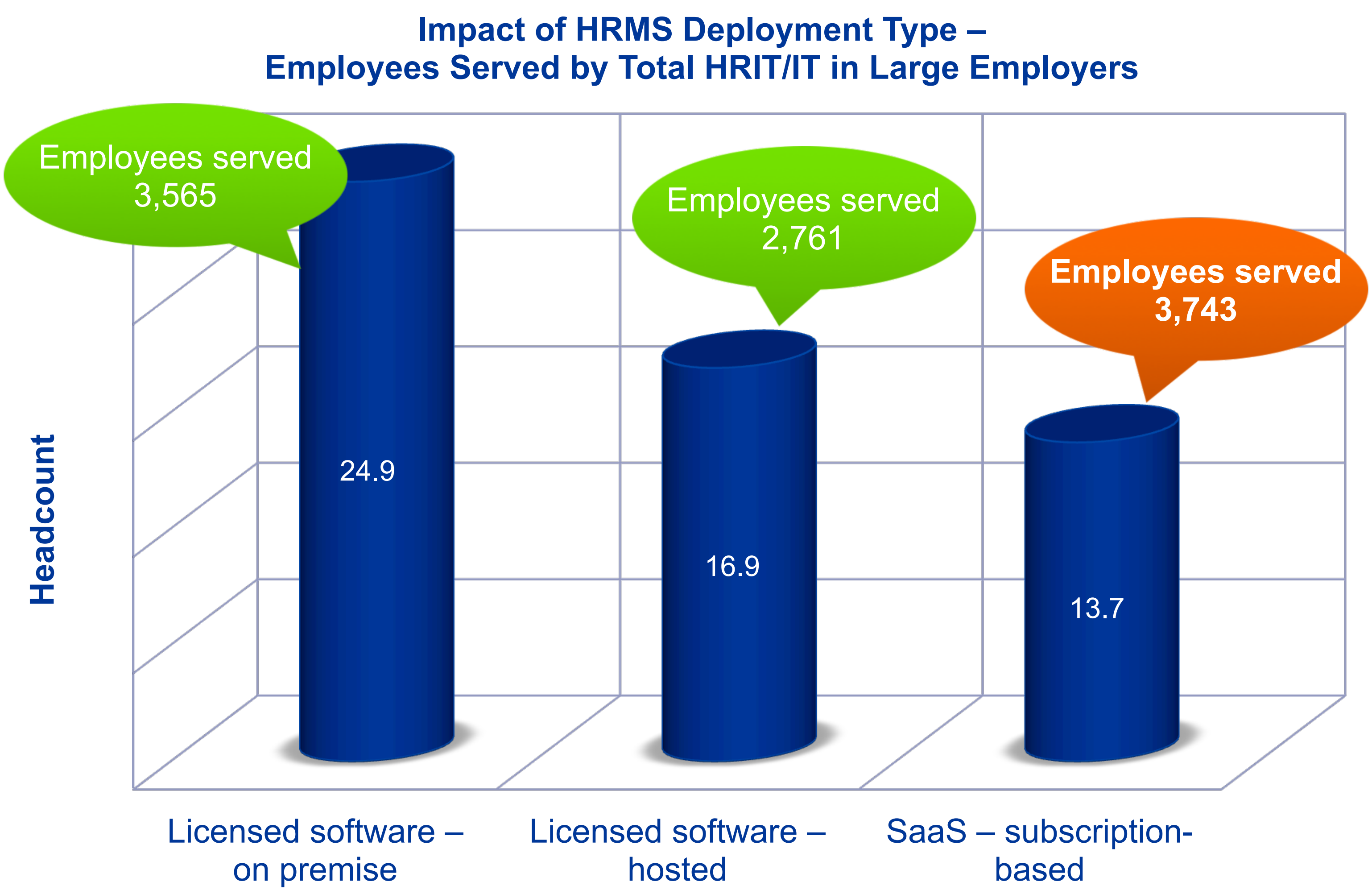
2013: In Large Organizations, the SaaS HRMS Approach Enables Those Organizations to Serve More

MESSAGE IS: BENCHMARK!!



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Oil and Manufacturing Adoption by Employer Size

Application Categories	Overall Adoption	Large Oil n=10	Large Manufacturing n=49	Medium Oil and Mfgt n=55	Top Performers n=57
Administrative	92%	At Market	At Market	At Market	At Market
Service Delivery	44%	Leads	At Market	At Market	Leads
Workforce Management	43%	Lags	At Market	Lags	At Market
Talent Management	52%	Leads	Leads	At Market	Leads
Business Intelligence	44%	At Market	At Market	Lags	Leads
Workforce Optimization	14%	Leads	Leads	Lags	Leads
Social Media	33%	Leads	At Market	Lags	Leads

Application Adoption
All Industries by Size

Application Categories	Overall Adoption	Large n=326	Medium n=326	Small n=612	Top Performers n=57
Administrative	92%	At Market	At Market	At Market	At Market
Service Delivery	44%	Leads	At Market	Lags	Leads
Workforce Management	43%	Leads	At Market	Lags	At Market
Talent Management	52%	Leads	At Market	Lags	Leads
Business Intelligence	44%	Leads	At Market	Lags	Leads
Workforce Optimization	14%	Leads	At Market	Lags	Leads
Social Media	33%	Leads	At Market	Lags	Leads
Applications where cohort leads (out of 33)		30	4	0	26

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