

CedarCrestone 2013–2014 HR Systems Survey

HR Technologies, Deployment Approaches, Value, and Metrics

16th Annual Edition

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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



Adoption continues to increase
and result in value.

Mobile



Integration/Unification

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



User Satisfaction

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

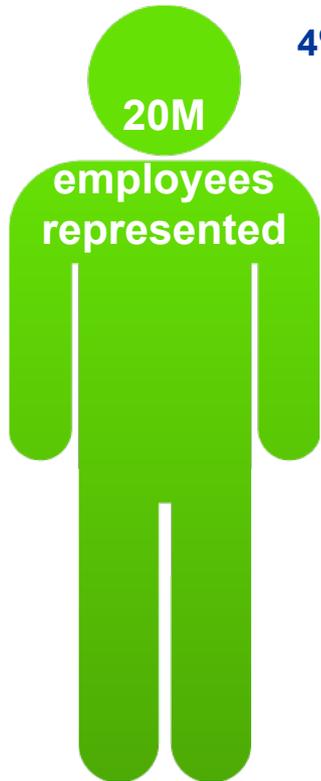
Plus:

- Vendor Choices, Expected Changes, User Experience Scores
- Service Delivery, Talent Management, Workforce Management, Big Data, and Gamification
- HR Technology’s **Value** from Statistical Analysis and from Top Performer Analysis
- Four Key Lessons and Where to Spend Your HR Technology Money

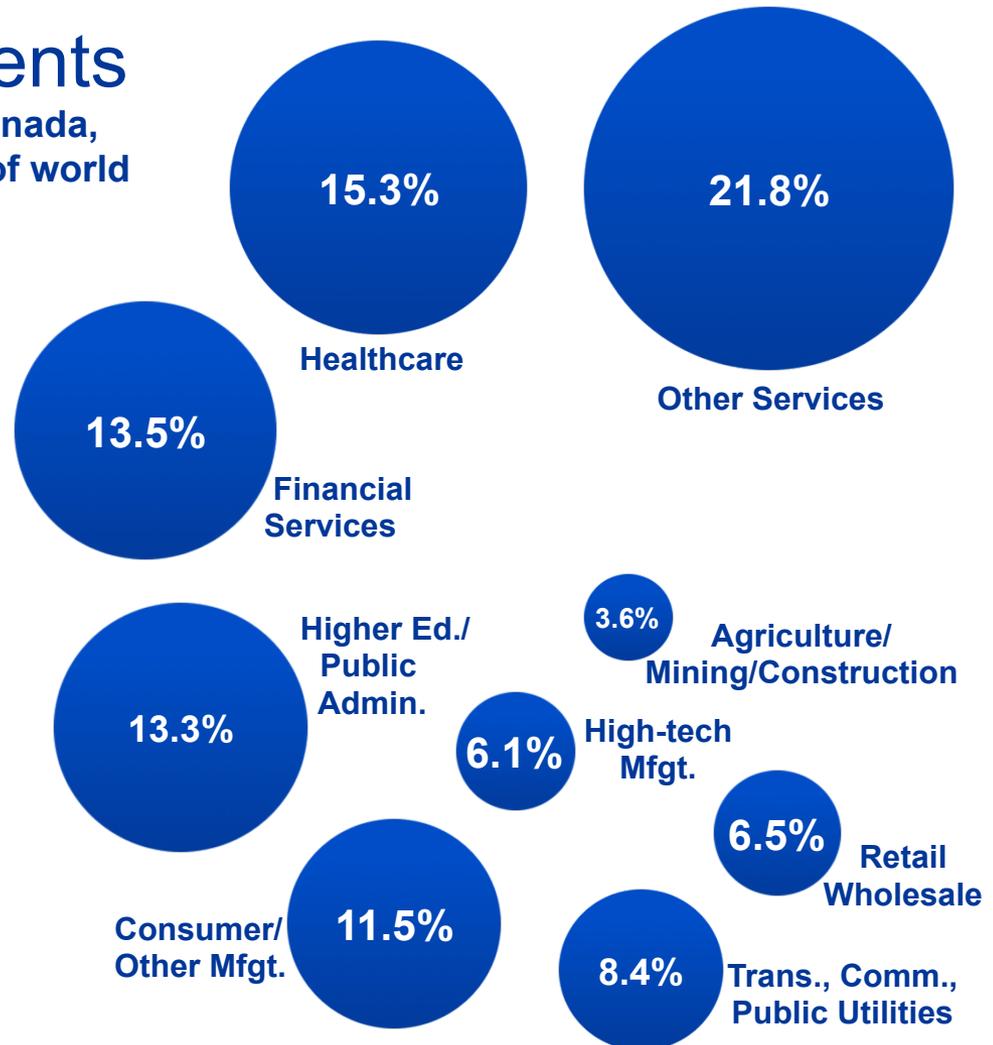
CedarCrestone 2013–2014 HR Systems Survey Demographics

1,266 respondents

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

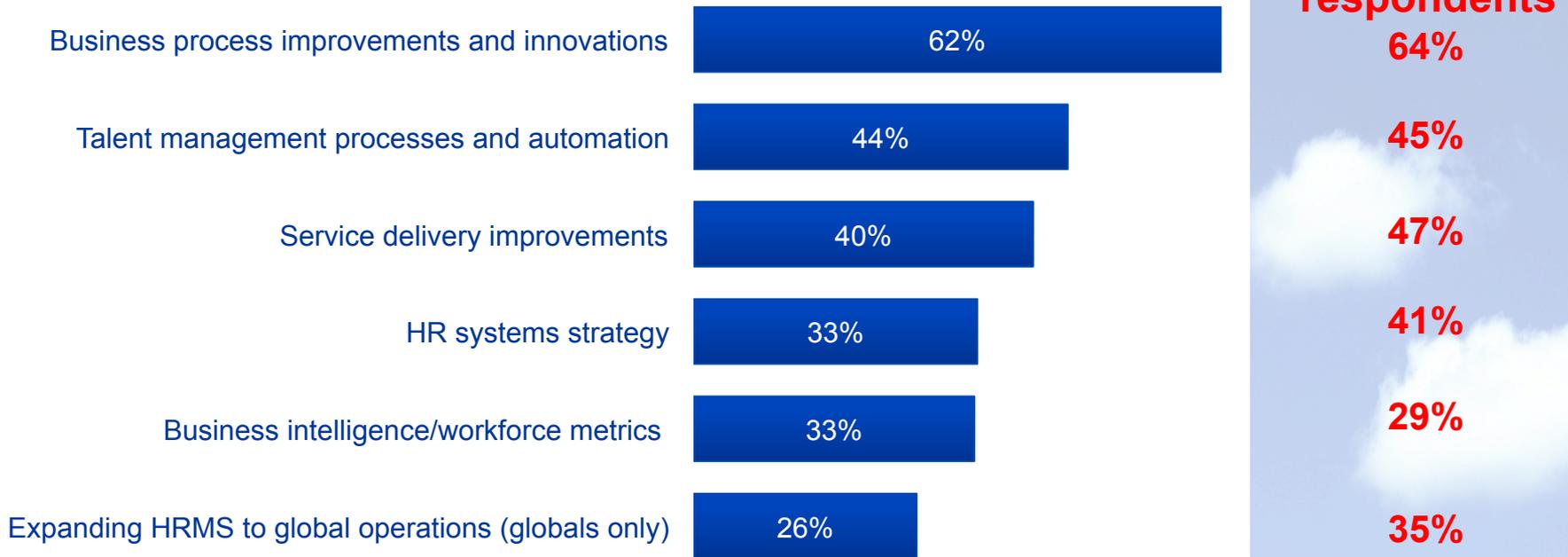


Average number of
employees = **15,876**



Major 2013 Initiatives Similar to 2012 and One Inflexion Point!

Major Initiatives n=1,215



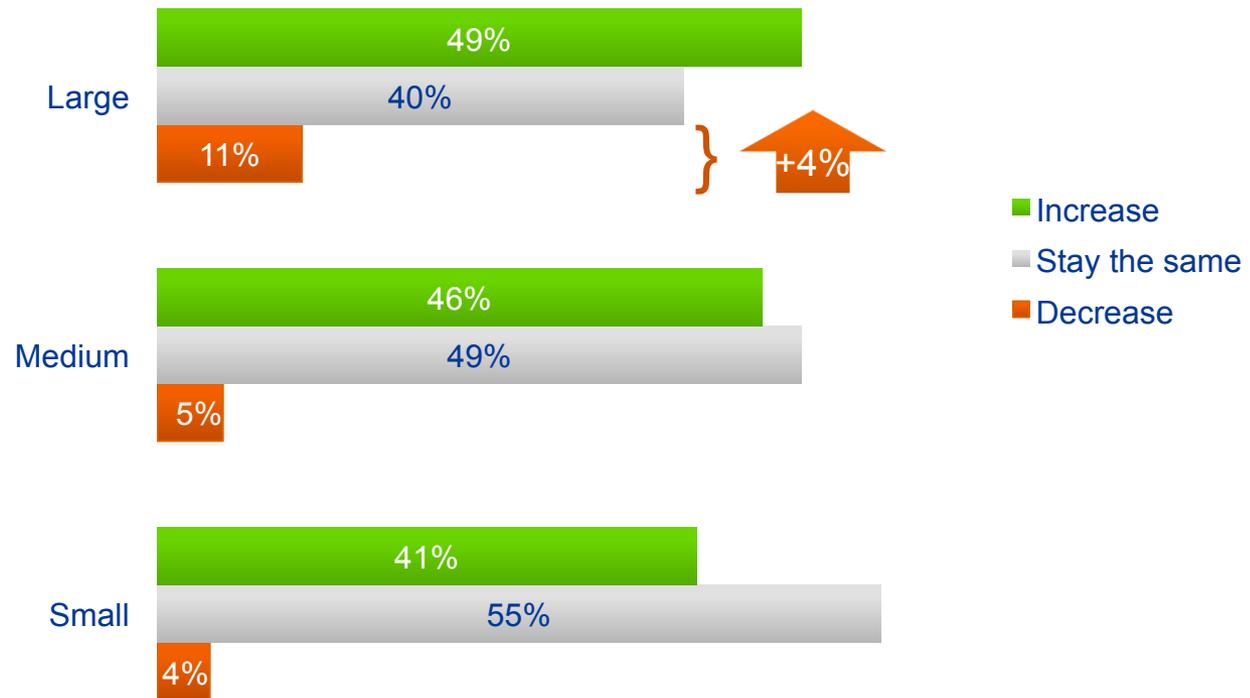
Upgrade vs. Replacements: Inflexion Point Reached



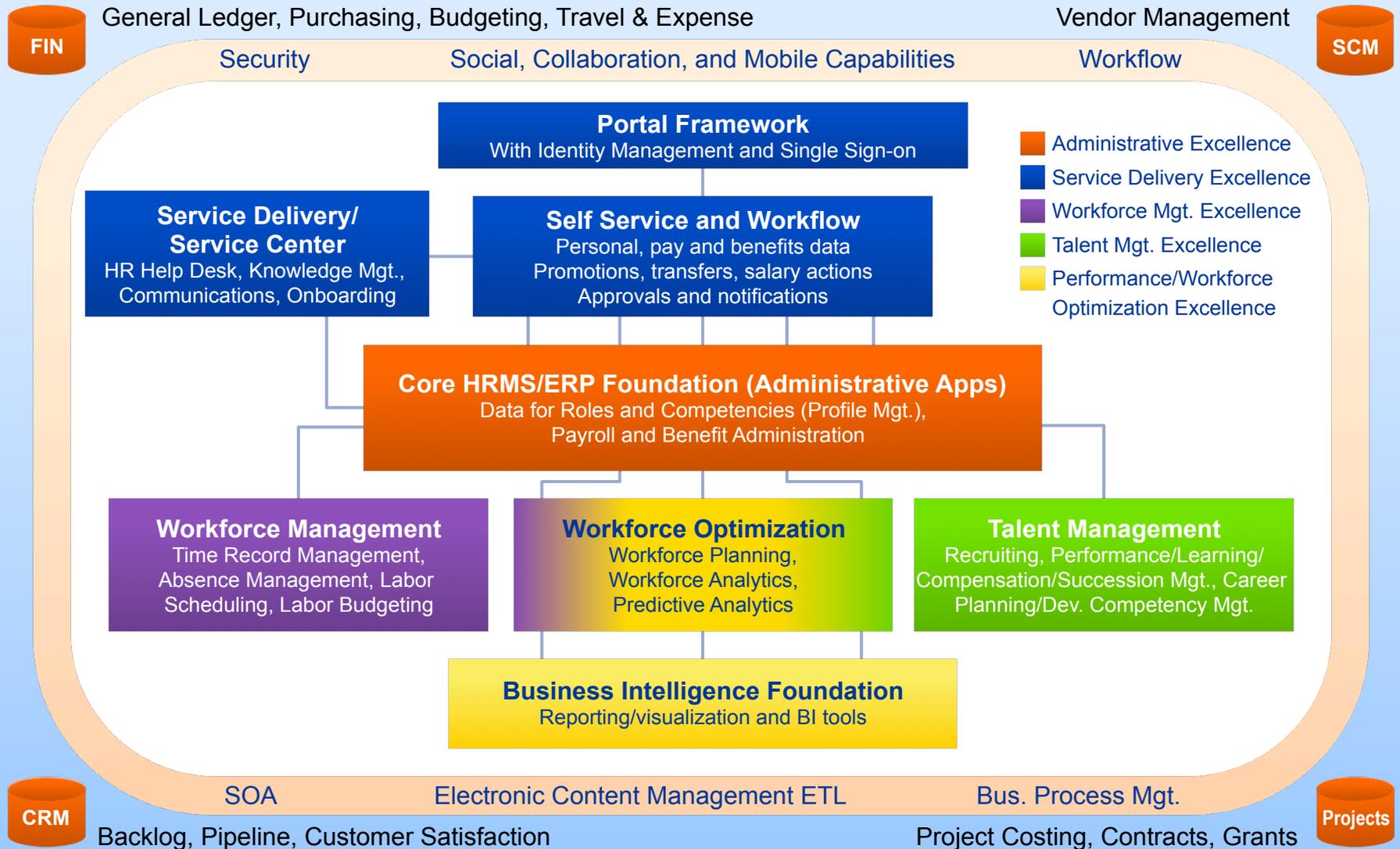
Spending Outlook for HR Technologies

Essentially Similar to 2012, but with a Few More Large Organizations Reporting an Expected Decrease

Spending Plans for Next Year by Employer Size



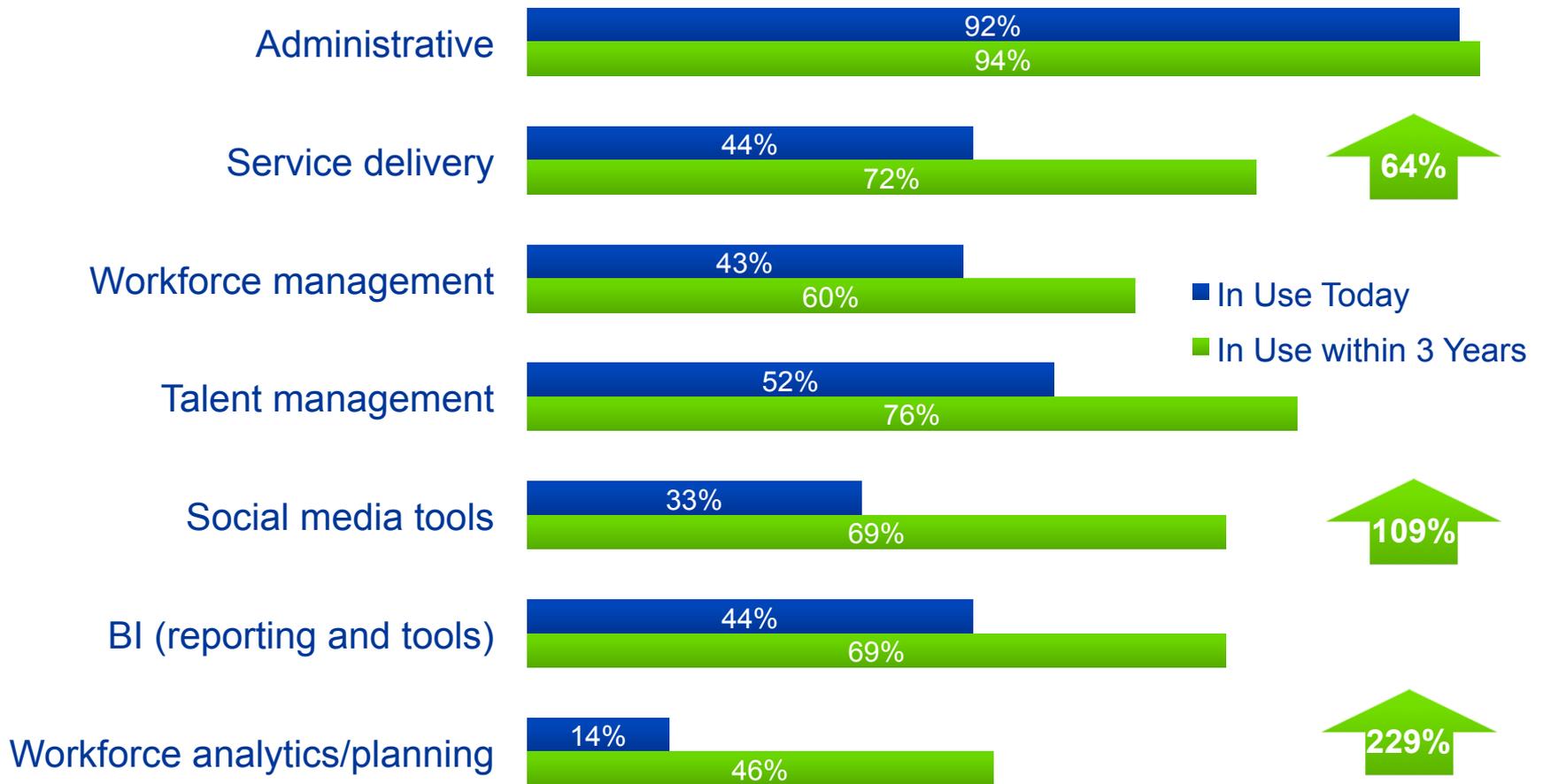
CedarCrestone HCM Application Blueprint



Three Year Adoption Outlook

The Same Three Areas Continue to Show Strongest Projected Growth

Three-year Application Outlook



Comparing IHRIM Respondents to Overall

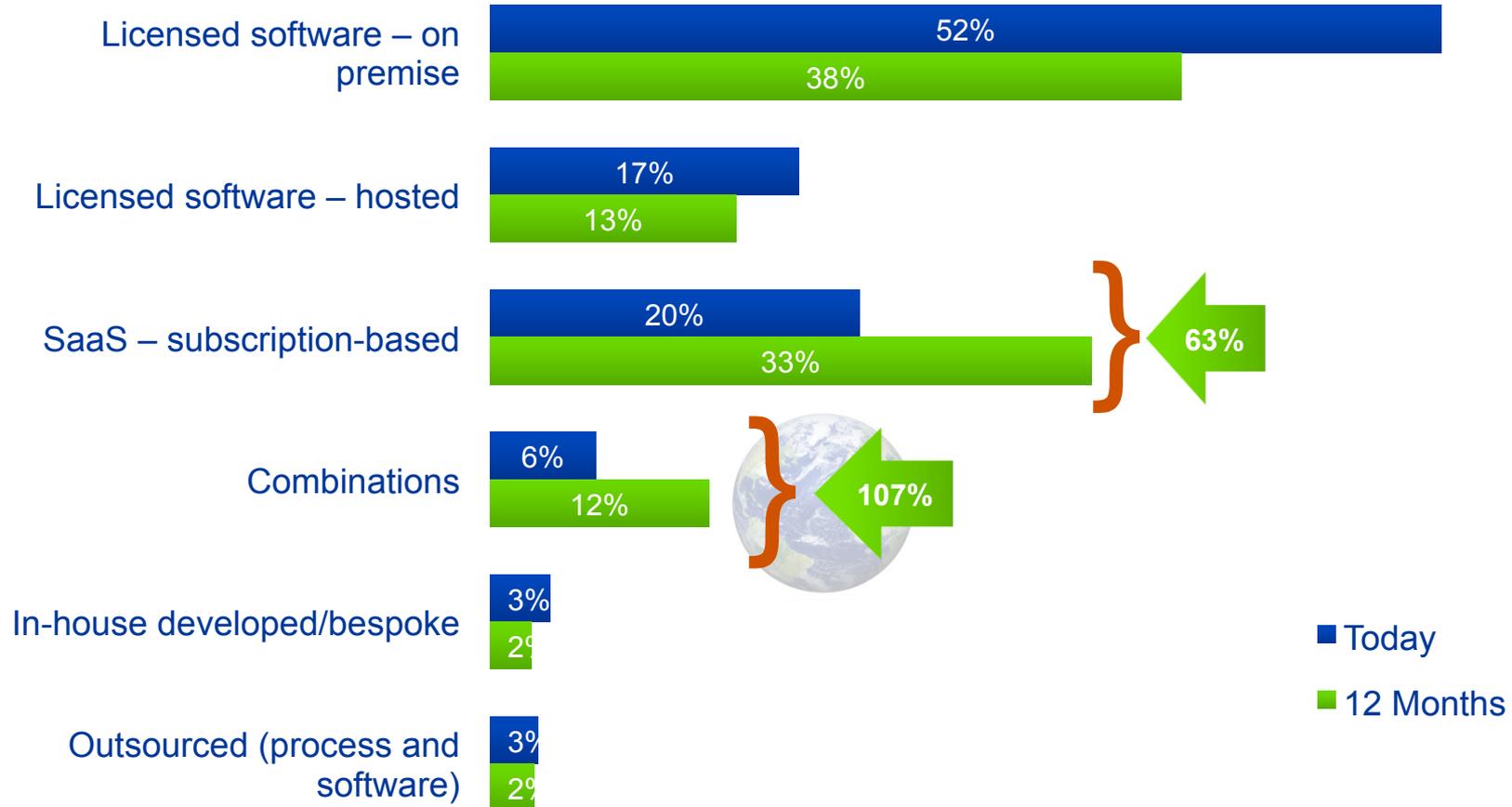
Application Categories	Overall Adoption	All IHRIM	Large n=36	Medium n=34	Small n=42	Global n=80	Top Performers n=57
Administrative	92%	95%	At Market	At Market	At Market	At Market	At Market
Service Delivery	44%	48%	Leads	Leads	Lags	At Market	Leads
Workforce Management	43%	44%	Leads	At Market	Lags	At Market	At Market
Talent Management	52%	59%	Leads	At Market	Lags	At Market	Leads
Business Intelligence	44%	46%	Leads	At Market	Lags	At Market	Leads
Workforce Optimization	14%	14%	Leads	Leads	NSD	Leads	Leads
Social Media	33.23%	42%	At Market	At Market	At Market	At Market	At Market
Applications where cohort leads (out of 33)			27	16	1	4	21

- Second column shows IHRIM as higher than average adopter in all categories but Social
- Large IHRIM employers lead in adoption by more than 10%; Small employers Lag in adoption by more than 10% less
- Of note is that most IHRIM respondents lead in adopting workforce analytics/workforce planning – likely a tribute to IHRIM’s education!

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

HRMS Application Deployment Only



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

Stakeholder Rankings

HR IT Exec.

			HR	IT	Exec.
1	Improved user experience for employees, managers, as well as HR	69%	1	1	2
2	Best practice functionality	58%	2	2	5
3	Easier upgrades (New)	55%	3	3	1
4	Eliminates dependence on IT (New)	49%	4	3	6
5	Faster time to implement and achieve value	45%	6	3	3
6	Reduces need for internal infrastructure	44%	5	3	4
7	Reduces total cost of ownership	35%	7	4	7
8	Predictable ongoing costs	29%	8	5	9
9	Ease to "go global" (New)	28%	9	6	8

Improving the User Experience Continues as #1 Reason to Move

Why Not?

New Concerns Identified

Concerns About Moving to a New SaaS Core HRMS n=577

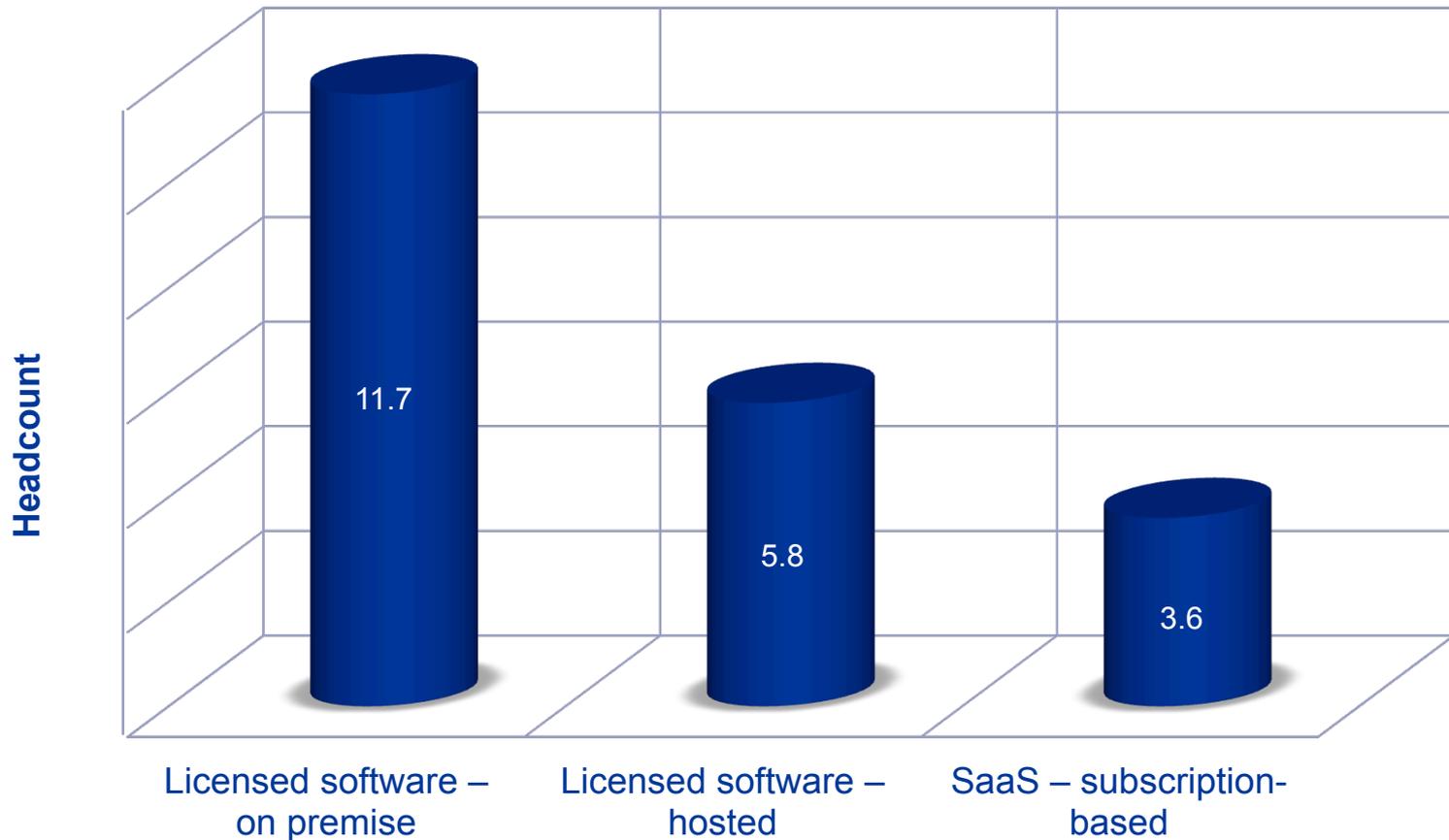
			Stakeholder Rankings		
			HR	IT	Exec.
1	Concerns about service and support (New)	57%	1	1	2
2	Integration complexities	54%	2	2	1
3	Inability to customize	51%	3	4	4
4	Security/data privacy	40%	4	3	5
5	Loss of control over systems/data	33%	5	4	8
6	Functionality not specific for our industry (New)	28%	6	7	6
7	Concern about vendor lock-in	27%	7	6	3
8	Inability to control timing of release (New)	25%	7	8	7
9	Lack of global functionality (New)	11%	9	9	9

SaaS Value Propositions:

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

Core

Impact of HRMS Deployment Type on
HRIT/IT Headcount – Overall n=423



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

Length of Time for New HRMS Deployments n=648



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



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%

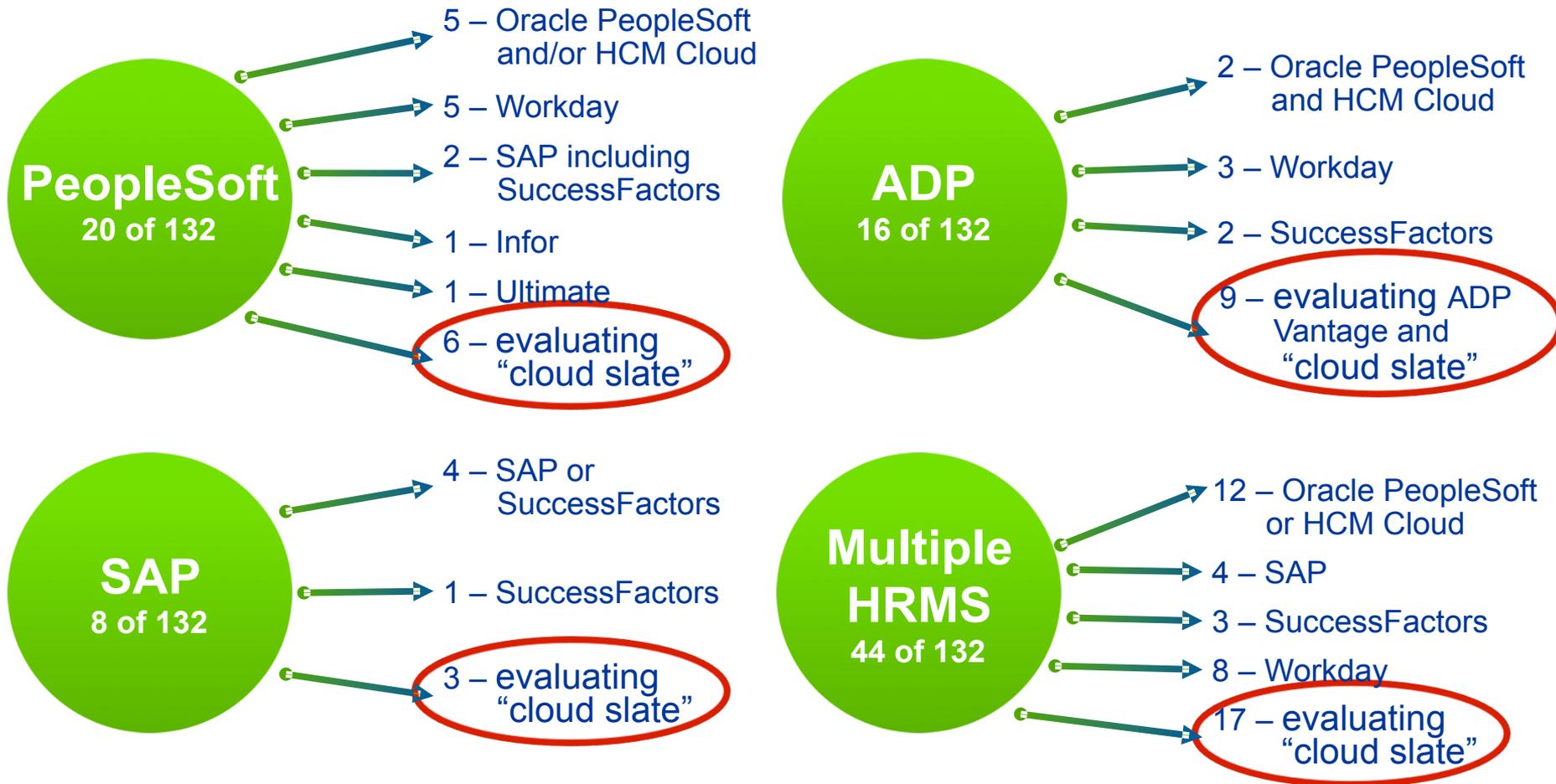
Largest percentage gainers for the next 12 months include Workday, Oracle HCM Cloud, SuccessFactors, and Ceridian Dayforce.

*Colored cells indicate greater than 5% gain or loss projected in 12 months.

Organizations may have multiple solutions in use.

Change Outlook for Leaders

24% (n=132) Report They Will Change Their HRMS



One or more from the “Cloud Slate” will be the winner(s)

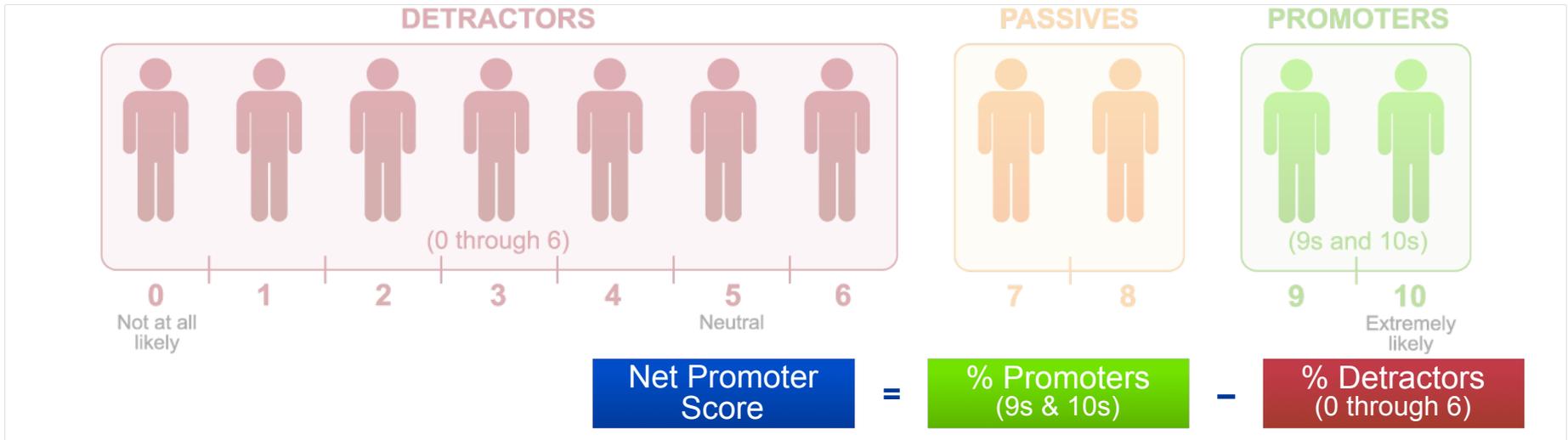
Dayforce, EmployeeCentral, HCM Cloud, Kronos, SumTotal, UltiPro, Vantage, Workday

Most HRMS Customers Are DISSATISFIED!

However, Overall NPS Went up 11 Points from 2012.

Software as a Service Solutions Achieve Highest Scores!

Core



Net Promoter Score by HRMS Deployment Approach

HRMS Vendors n=667

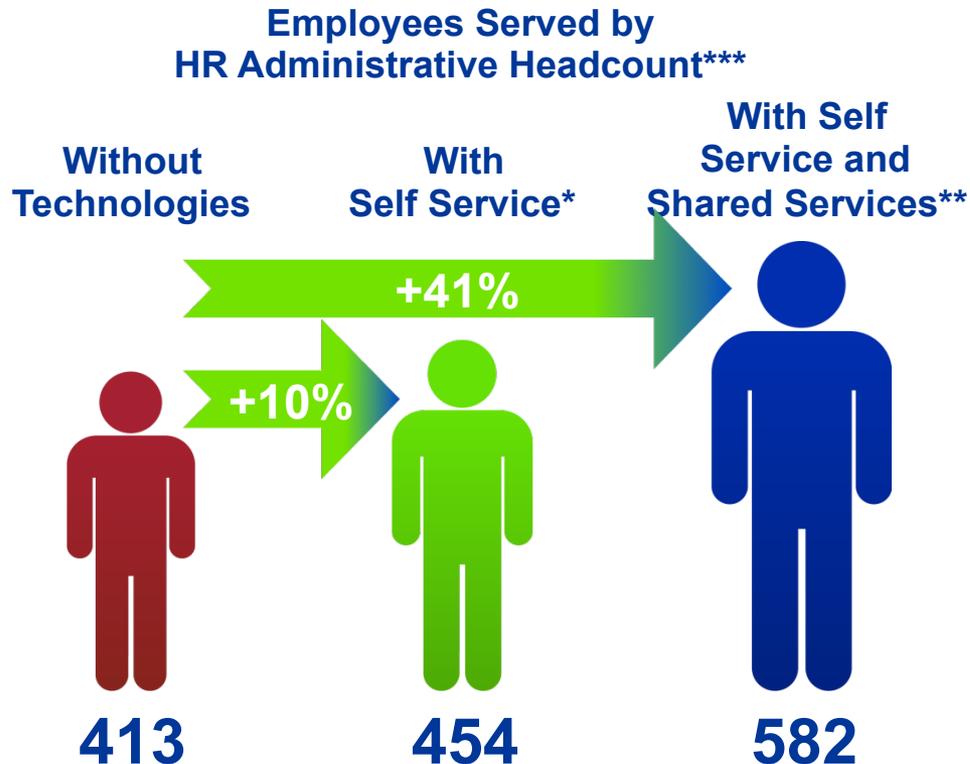
	Net Promoter Score	Promoters	Detractors
Overall	-31	19%	50%
Licensed on Premise (379)	-37	10%	47%
Licensed Hosted (123)	-48	14%	62%
Outsourced (19)	-46	7%	53%
Software as a Service (146)	-7	33%	40%

What Do Net Promoter Scores Mean?

- Digging into the detail, we find:
 - Those on the latest releases are more satisfied (NPS score 12 points higher) and those with a low level of customization are even more satisfied (an additional 12 points higher).
- Bottom line for Practitioners:
 - Upgrading current solution and “going vanilla” may address underlying reasons for dissatisfaction.
 - Nevertheless, “Cloud slate” vendor solutions are getting higher user satisfaction scores.

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

ESS/MSS



*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

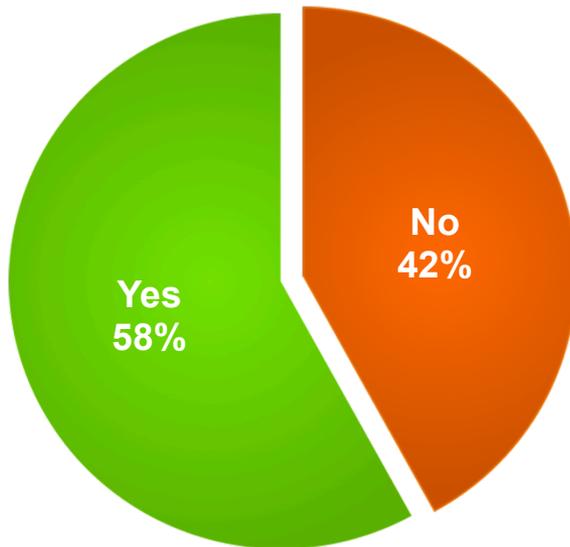
***The CedarCrestone survey now calculates the ratio using HR administrative headcount rather than HR administrative FTE as in past years

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

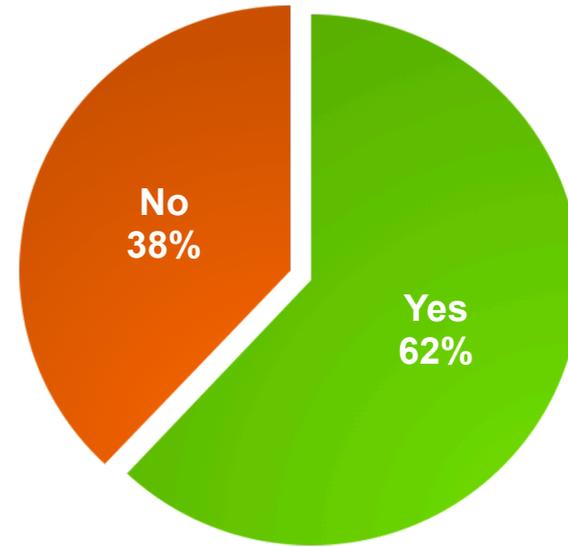
Integrated Talent Management Adoption Holds Steady since 2012. More Organizations Report Moving Talent Management to their HRMS, up 13% since 2012

TM

Integrated Talent Management
Adoption n=695



Talent Management on
Same Platform as HRMS



TOP PERFORMERS

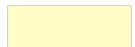
77% have an Integrated Talent Management solution on their HRMS platform, up from 70% in 2012

Top Integrated Talent Management Respondent Adoption

TM

Integrated Talent Management Respondent Adoption n=427

	Overall	
	Today	In 12 Months
Oracle PeopleSoft/Taleo/HCM Cloud/EBS	43%	40%
SAP/SuccessFactors/Plateau	25%	28%
Cornerstone OnDemand	9%	10%
Workday	5%	12%
Silkroad	5%	6%
Peoplefluent	5%	4%
Ultimate Software	4%	5%
Other	39%	38%

 +5% above average  -5% below average

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

- 23% of respondents indicate they will change (n=98)
- One direction dominates: those with an ITM *on their HRMS* will more frequently STAY with the owner solution provider!
- **However, most “cloud” ITM vendors will see increases**
Cornerstone OnDemand, HCM Cloud, Kenexa, Lumesse, Silkroad, SuccessFactors, Ultimate, Workday

Two-thirds of Organizations Report Some Integration between HRMS and Talent Management Solutions!

A Unified HRMS-TM Solution Holds Most Promise for True Integration

State of Integration of HRMS and Talent Management Solutions

	HR-TM
No integration: totally separate processes in separate solutions	33%
Some integration	67%

Integration of HRMS and Talent Management Solution(s)

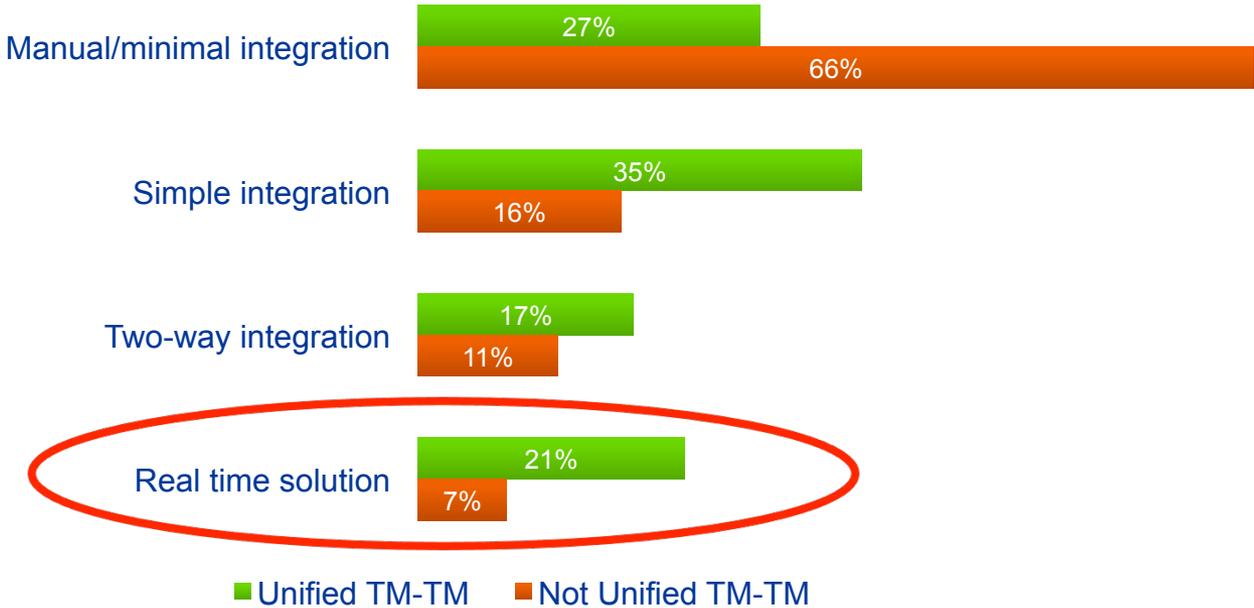


Less than Half of Respondent Organizations Indicate Some Integration Among Talent Management Solutions, with Unified Solutions Providing Some Promise of True Integration.

State of Integration of Talent Management Solutions

	TM-TM
No integration: totally separate processes in separate solutions	52%
Some integration	48%

Integration of Talent Management and Talent Management Solutions



What Do These Integration Metrics Mean?

- Digging into the detail, we find:
 - The truly unified HRMS and talent management solutions currently are the ones getting the “real integration” designation from respondents.
 - Some integrated talent management vendors are too.
 - All other options require substantial integration effort.
- **Bottom line for Practitioners:**
 - The lack of integration is why most organizations can't produce data for decision making for managers!
 - Single point solutions make it more difficult to integrate and will require custom solutions to achieve process-level integration.
 - Consider integrating through a single point – the core HRMS.
- **Bottom line for Vendors:**
 - Provide easier to use integration tools!

Social Tools Adoption: Strategic Adoption of Collaboration Tools Spiked 25% from Addition of Sharepoint to Question

Social

Social Tools (Use and Plans)



Overall Adoption of Social-enabled Processes Increased 50% from 6% in 2012 to 9% in 2013

Recruiting Processes Continue as Most Highly Adopted

Social

Major Social Enabled HR Processes

	Workforce Using	
	Today	In 12 Months
Recruiting (all workforce)	15%	21%
Learning and development	12%	19%
Performance management/Goal management	10%	16%
HR management/record keeping	9%	16%
Time and labor/time and attendance	7%	10%
Business intelligence/workforce analytics	6%	11%
Compensation	5%	9%
Succession planning/management	5%	9%
Average workforce adoption across all social-enabled applications	9%	14%
Recruiting (recruiting staff)	48%	55%
Recruiting (hiring managers)	17%	25%

Respondents expect an average 57% increase overall for 2014

Mobile-enabled Process Adoption

Grew 67% from 6% in 2012 to 10% in 2013; Will Double!

Recruiting Processes for Recruiting Staff Continue as Leading Mobile-enabled Process

Major Mobile Enabled HR Processes

	Workforce Using	
	Today	In 12 Months
Payroll	13%	24%
Recruiting	12%	21%
Performance management/Goal management	11%	19%
Learning and development	10%	18%
Time and labor/time and attendance	9%	18%
HR management/record keeping	7%	18%
Compensation	5%	15%
Business intelligence/workforce analytics	5%	13%
Succession planning/management	4%	10%
Average workforce adoption across all mobile-enabled applications	10%	19%
Recruiting (recruiting staff)	20%	30%
Recruiting (hiring managers)	13%	23%

Respondents expect an overall average 95% increase for 2014

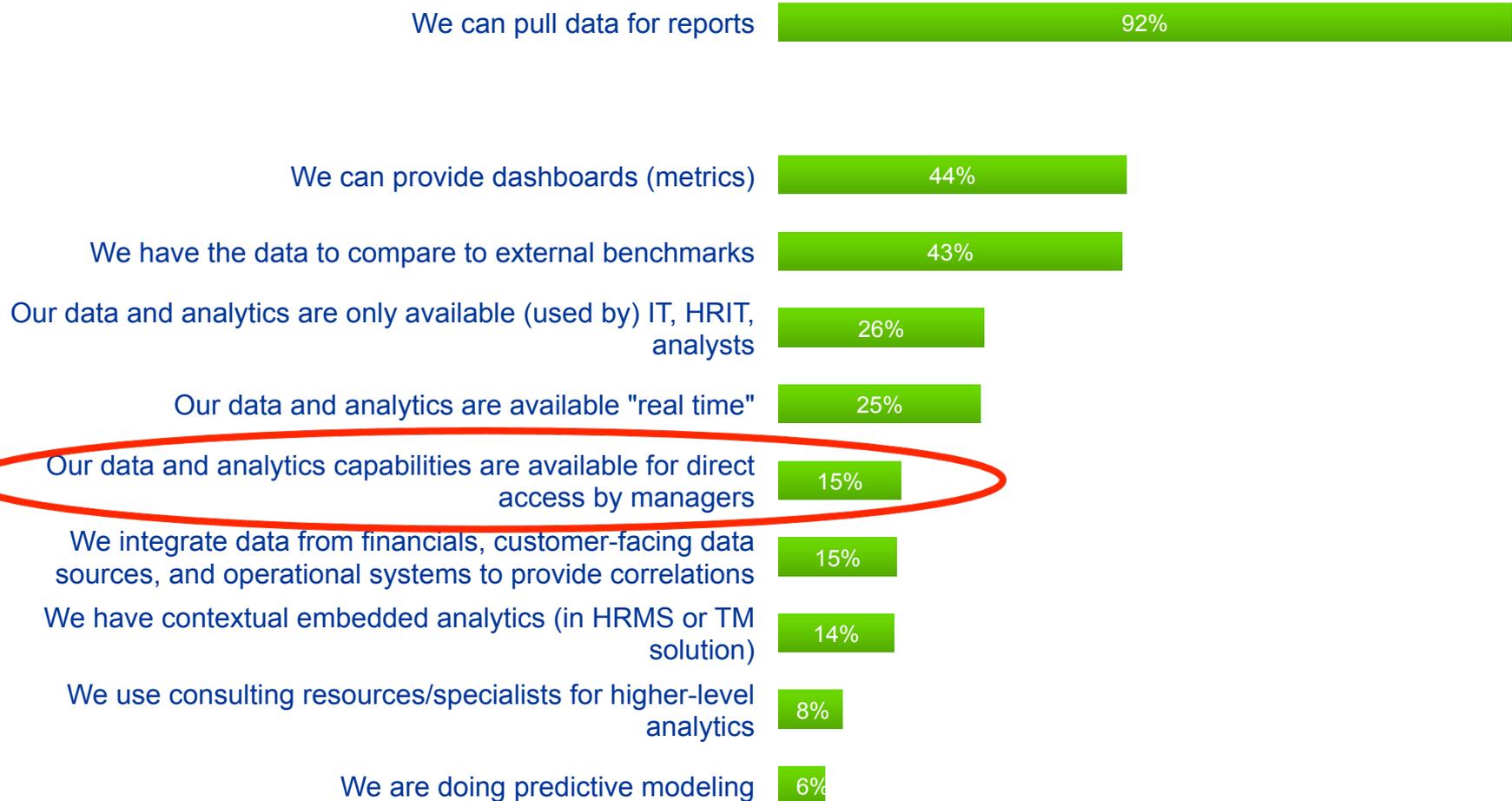
BI/Analytics Adoption:

Most Organizations Are At Least Able to Pull Data for Reporting of Metrics. Few Have Integrated Data Available to Managers.

BI

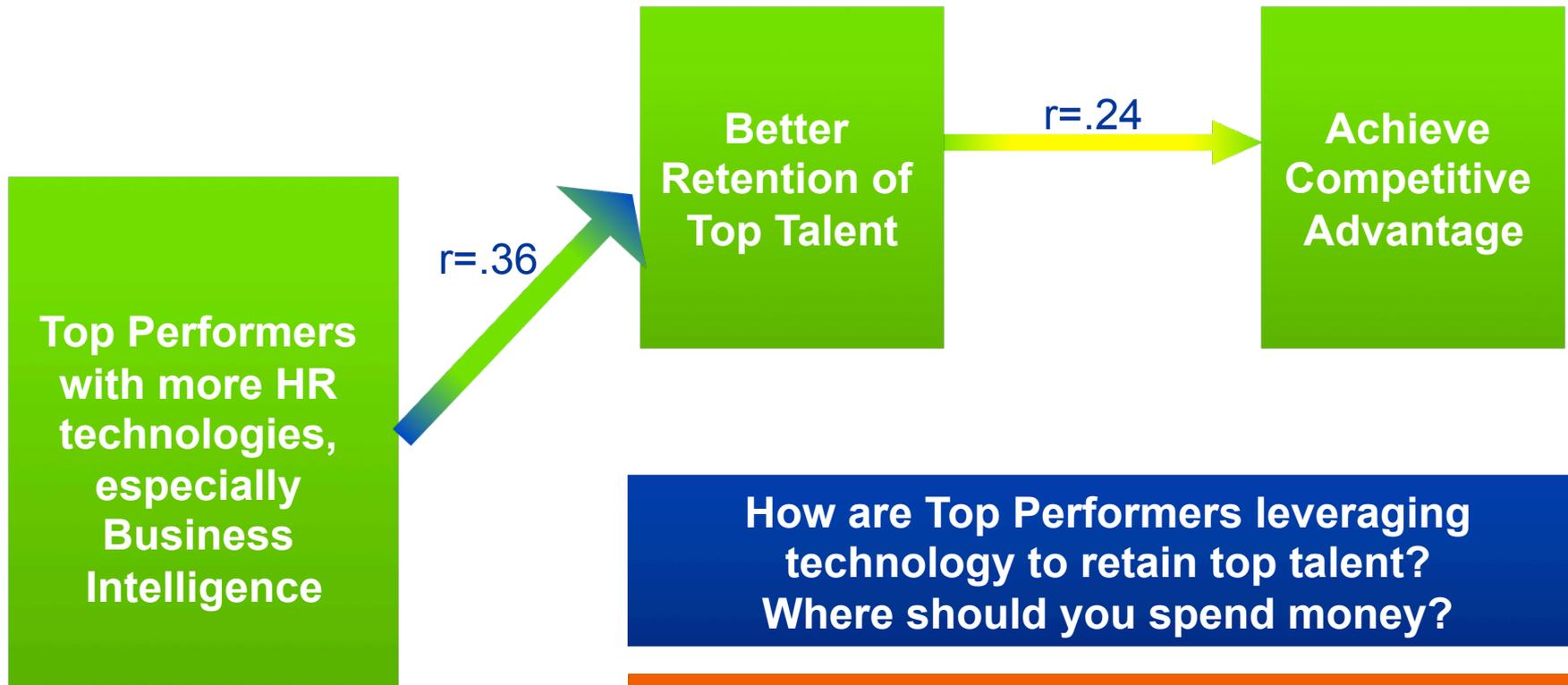
WFA

BI Delivery Approach



Value of HR Technologies from Statistical Analysis

More BI Technologies Linked to Top Talent Retention and to Improved Competitive Advantage



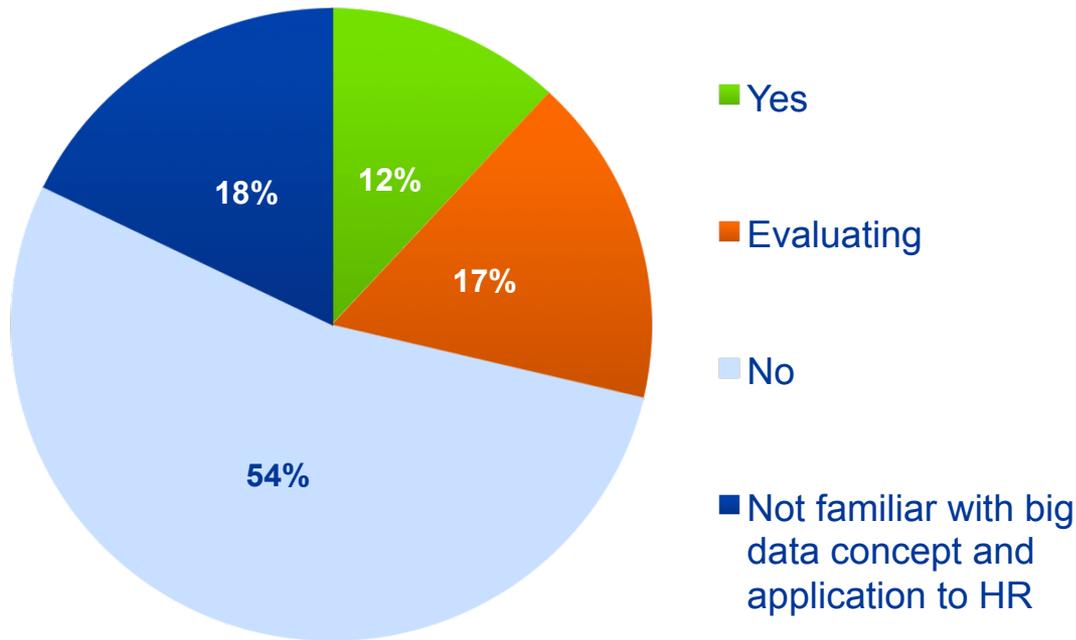
**How are Top Performers leveraging technology to retain top talent?
Where should you spend money?**

They use HR business intelligence and get that data into the hands of managers for best practice workforce decision making.

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.

Big Data

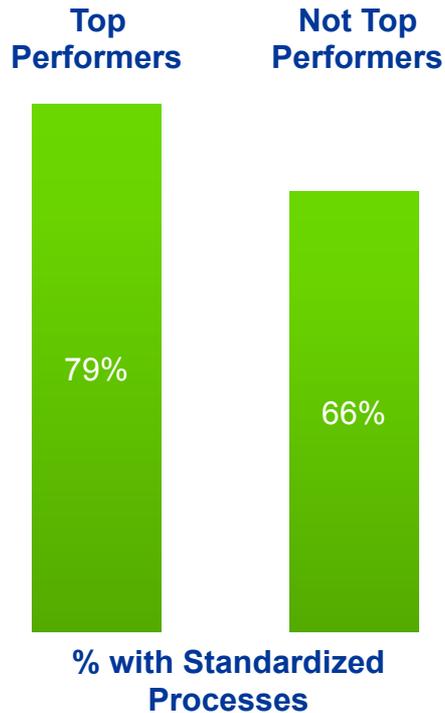


- Most frequently used in Large organizations
- More frequently used or under evaluation in Healthcare, High-tech, Higher Education, and Financial Services

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

Lesson #1: Get the Basics Right and Keep it Simple

Standardize Processes



Manage Service Delivery Globally



Top Performers = 77%
Not Top Performers = 57%

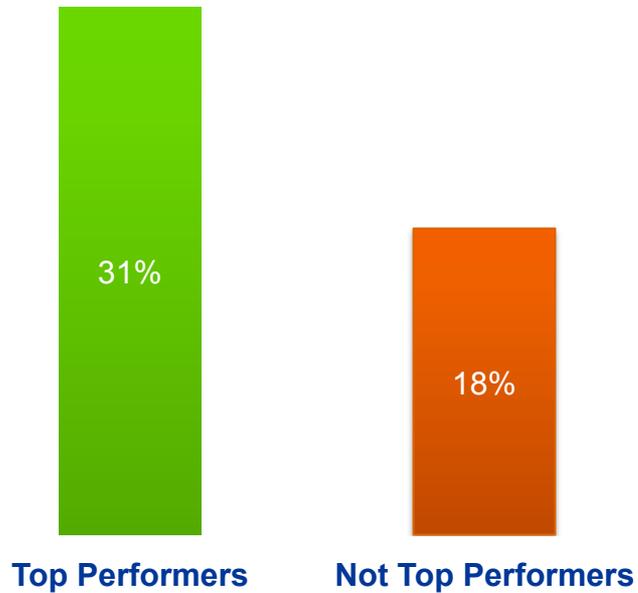
Integrate TM on HRMS



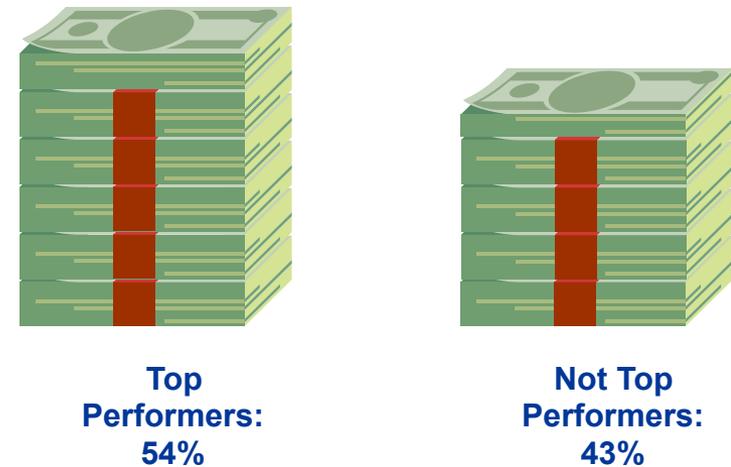
Top Performers = 77%
Not Top Performers = 59%

Lesson #2: Invest in More HR Technologies

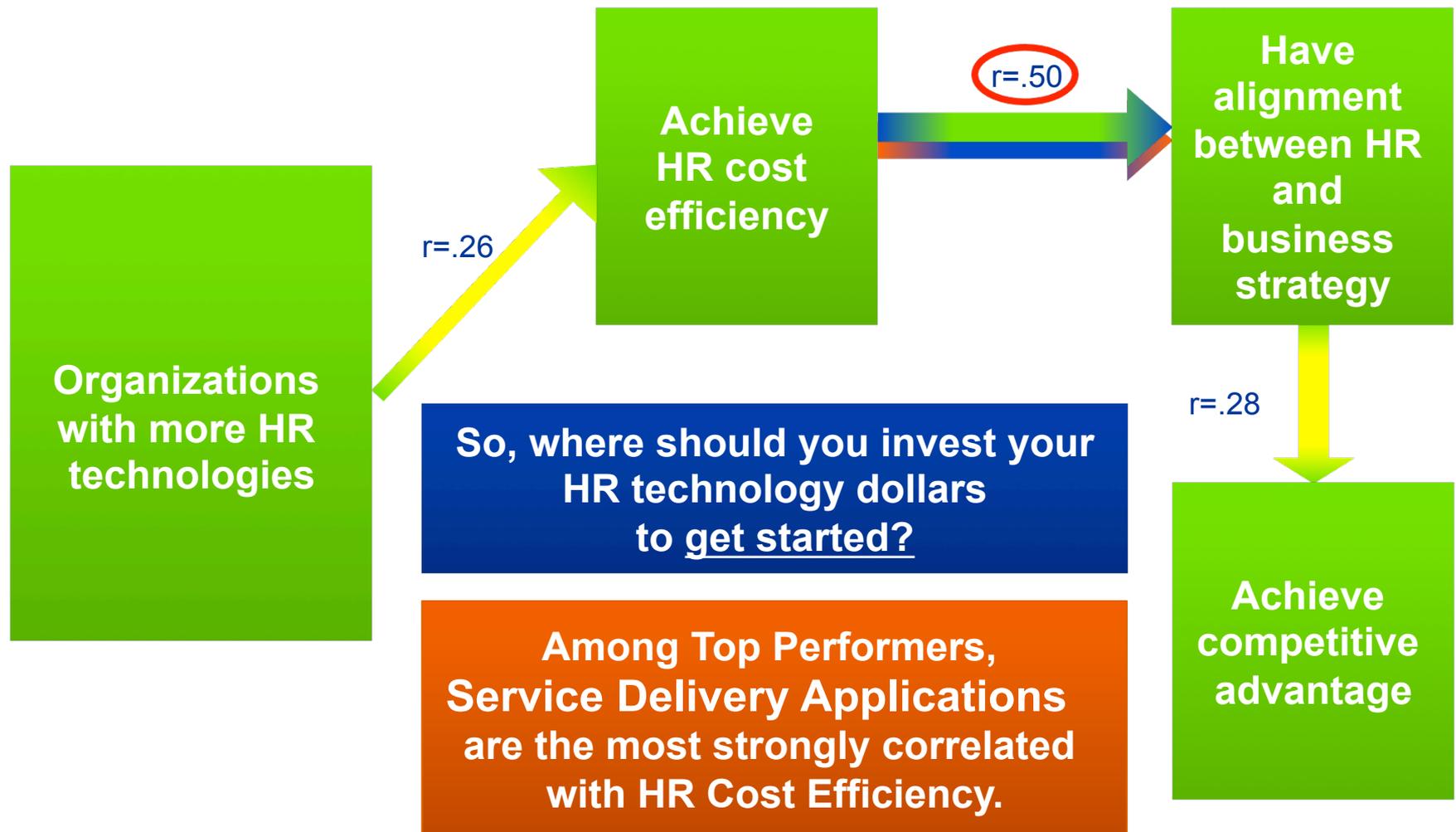
% in Top Quartile of Applications in Use



Plan to Increase Spending on HR Technologies Next Year



Value of HR Technologies from Statistical Analysis Delivering Cost Efficiency Strongly Correlated with Alignment with Strategy and Even Competitive Advantage!



Lesson #3: Make Talent Management a Priority

Top Performers have:

10%

Higher best practice talent mgt. scores

+

10%

More talent management technology in use

+

40%

More staff dedicated to talent management

=

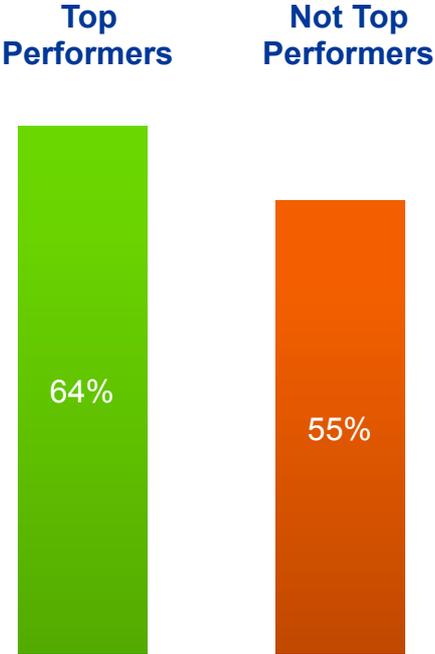


Improving their ability to:

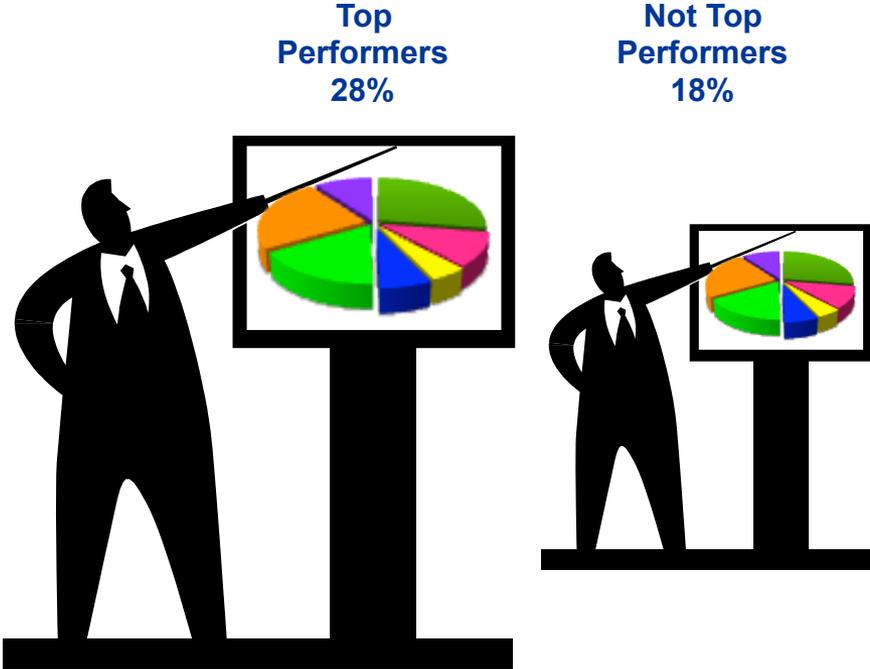
- Attract top talent (18% higher)
- Develop the workforce (19% higher)
- Retain key talent (20% higher)

Lesson #4: Put Technology into the Hands of Your Employees and Managers – Especially BI

Average Employee Use of Direct Access Services

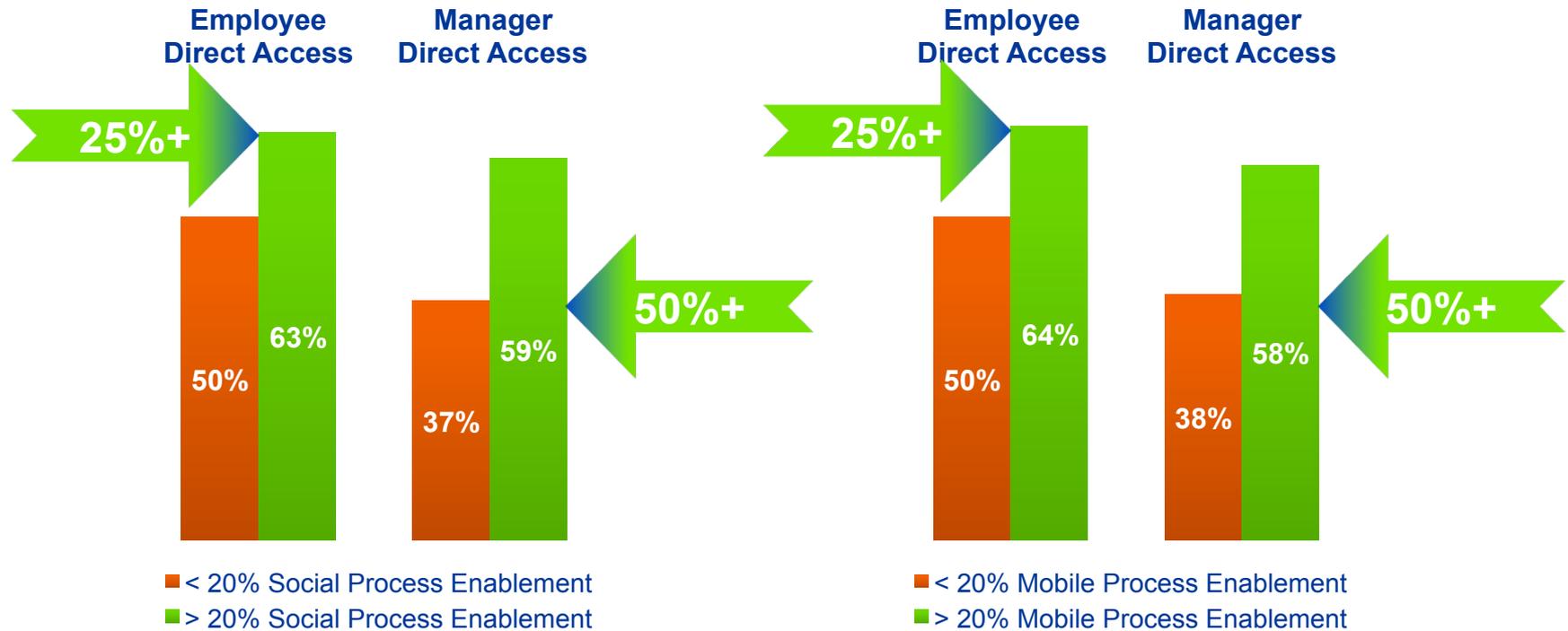


Managers with Access to BI Tools



One More Investment: Adoption of Social and Mobile Tools Encourages More User Adoption of HR Technologies. More User Adoption Results in More Value Achieved from Investments.

Adoption Impact of Social and Mobile Tools



To increase user adoption and get further value from HR technologies expenditures, invest in social and mobile enabled processes.

Please Download the Whole Report for Areas Not Covered

- 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://](http://www.ihrim.org/Pubonline/Wire/Sept13/CedarCrestone_16thSurvey_IHRIMWire.pdf)

www.ihrim.org/Pubonline/Wire/Sept13/CedarCrestone_16thSurvey_IHRIMWire.pdf

Where to Go for More Information

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

The screenshot shows the CedarCrestone website header. The logo is on the left. To the right, there are social media icons for YouTube, blog, RSS, Twitter, LinkedIn, and Facebook, which are circled in green. Further right are buttons for Research, Contact, and Careers, and a search bar with a 'Go' button. Below the header is a navigation menu with links for ABOUT, SOLUTIONS, SERVICES, INDUSTRIES, eRESOURCES, and CEDARCRESTONE INDIA. A secondary menu lists services: Consulting Services, Managed Services, Middleware Services, Strategic Services & Research, and Technology Integration Services. A third menu lists various survey topics: Annual Survey, Business Case Development & ROI, Business Process Improvement, Change Management, HR Effectiveness Assessment, Research, Workforce Metrics & Analytics Assessment, Workforce Technology Assessment & Strategy, and Vendor/Software Evaluation & Selection. Below this is a banner for the 'ANNUAL SURVEY' with a 'Share' button. The banner features the CedarCrestone logo, a globe, and the text: 'NOW AVAILABLE! CEDARCRESTONE 2013-2014 HR SYSTEMS SURVEY WHITE PAPER HR Technologies, Deployment Approaches, Value, and Metrics 16th ANNUAL EDITION Register HERE to download!'.

NEW! CedarCrestone 2013–2014 HR Systems Survey: HR Technologies, Deployment Approaches, Value, and Metrics, 16th Annual Edition

The White Papers, Press & Articles, and Events & Presentations below include the most recent publications in most cases. Some material is from prior years and will be updated in the coming months. Please visit our [Research](#) page to learn more about benchmarking services related to our Annual Survey effort and see other available White Papers.

White Papers

- [CedarCrestone 2013–2014 HR Systems Survey White Paper](#)
- [Going Global with HR Technologies: 2013, Highlights and Recommendations of Organizations Operating Globally Taken from CedarCrestone 2012–2013 HR Systems Survey Results](#)
- [The Seven Drivings of Top Performing Organizations White Paper](#)

Events & Presentations:

- [IHRIM Atlanta 4th Quarter Meeting and Holiday Reception](#) December 5, 2013
- [Workday and CedarCrestone: Human Capital Management for the Modern Enterprise](#) Denver, CO Luncheon – November 14, 2013
- [CedarCrestone and Workday: Human Capital Management for the Modern Enterprise](#) Houston, TX Luncheon – November 12, 2013

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.