



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

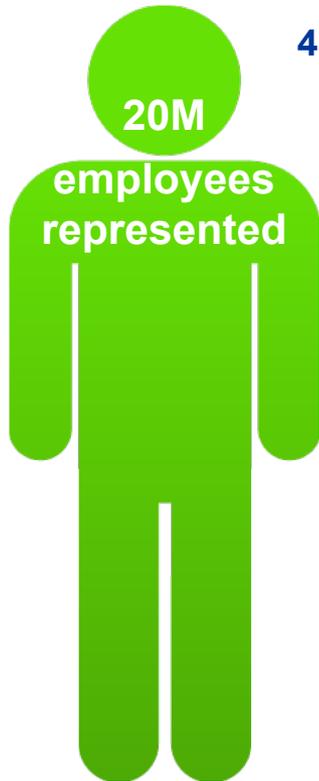
Newer products, later releases get higher scores. Improvement still needed!

Plus:

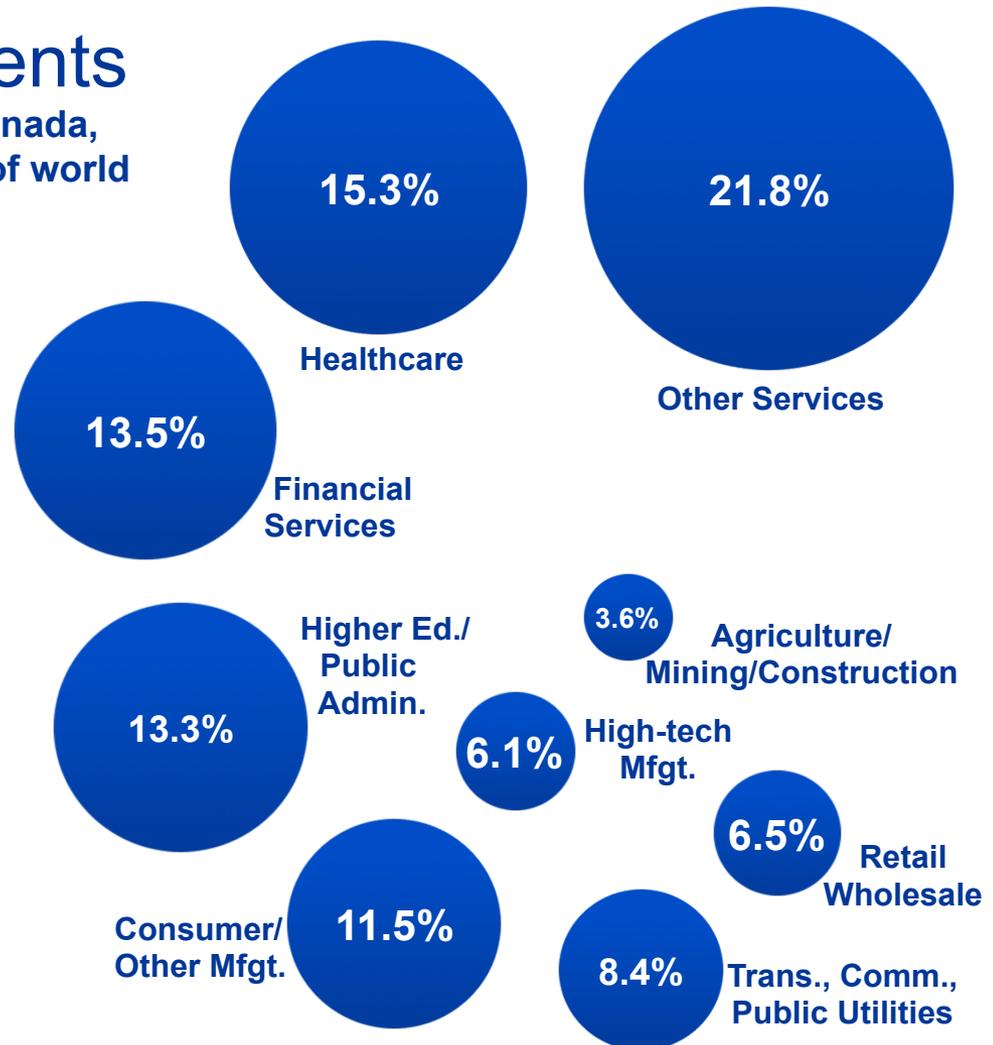
- Vendor Choices, Expected Changes, User Experience Scores
- Service Delivery, Talent Management, Workforce Management, Big Data, and Gamification
- HR Technology’s **Value** from Statistical Analysis and from Top Performer Analysis
- Four Key Lessons and Where to Spend Your HR Technology Money

CedarCrestone 2013–2014 HR Systems Survey Demographics

1,266 respondents
85% US, 6% EMEA, 5% Canada,
4% Australia/Asia and rest of world

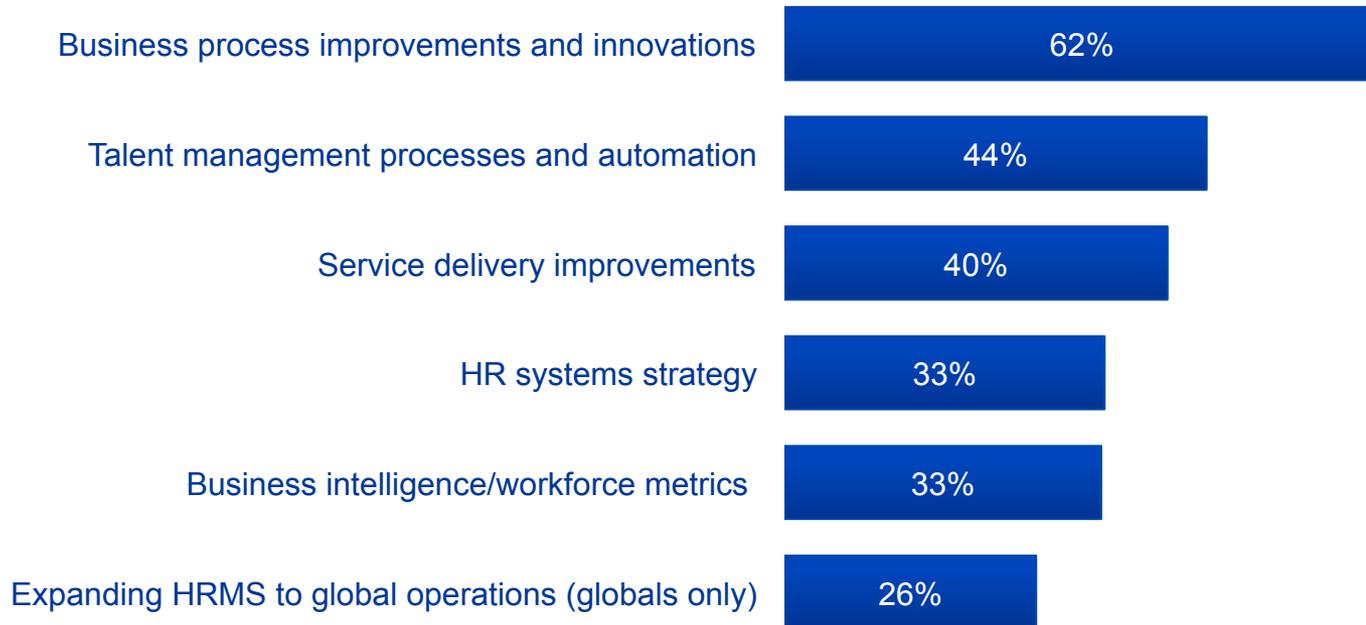


Average number of employees = 15,876



Major 2013 Initiatives Similar to 2012 and One Inflexion Point!

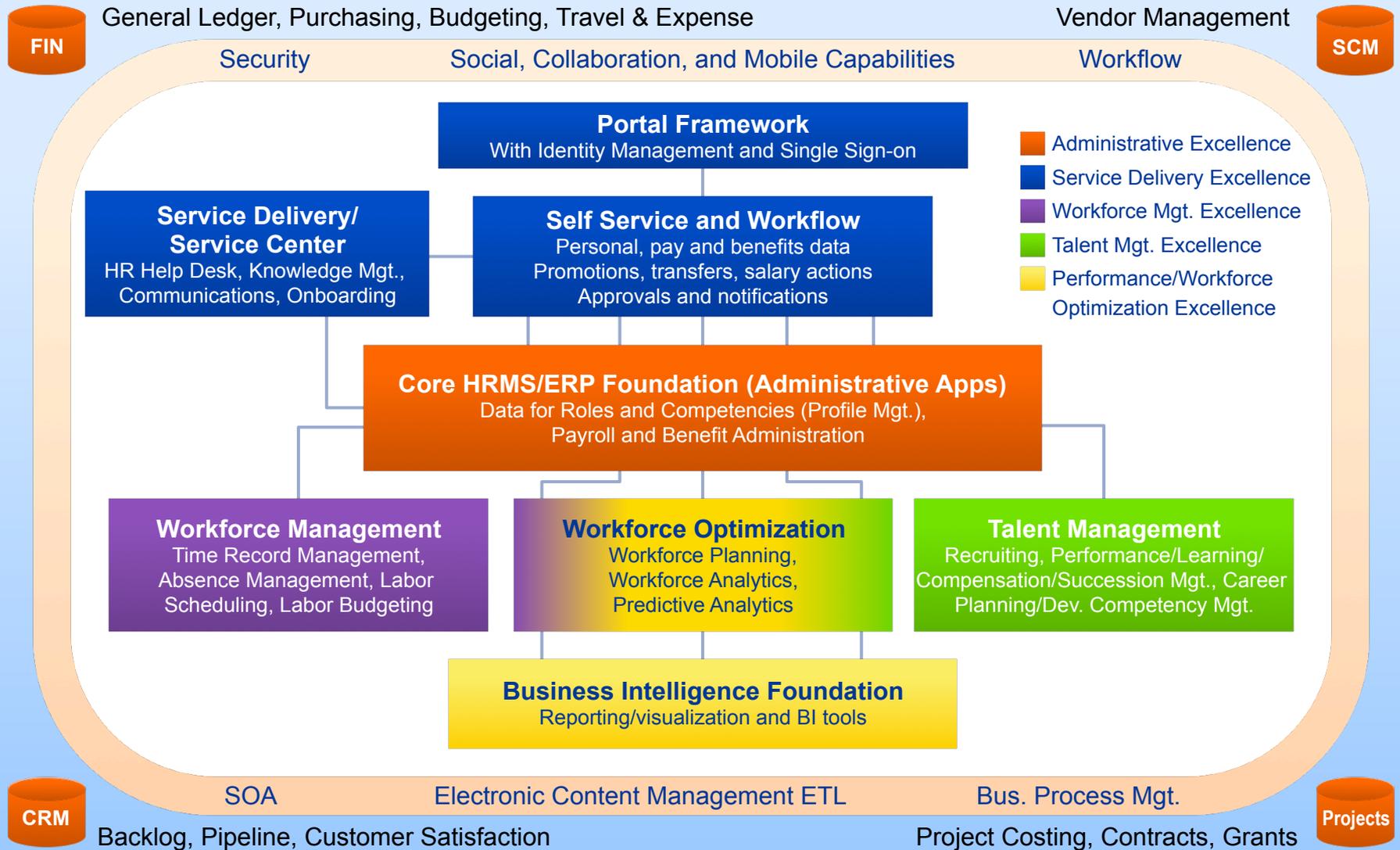
Major Initiatives n=1,215



Upgrade vs. Replacements: Inflexion Point Reached



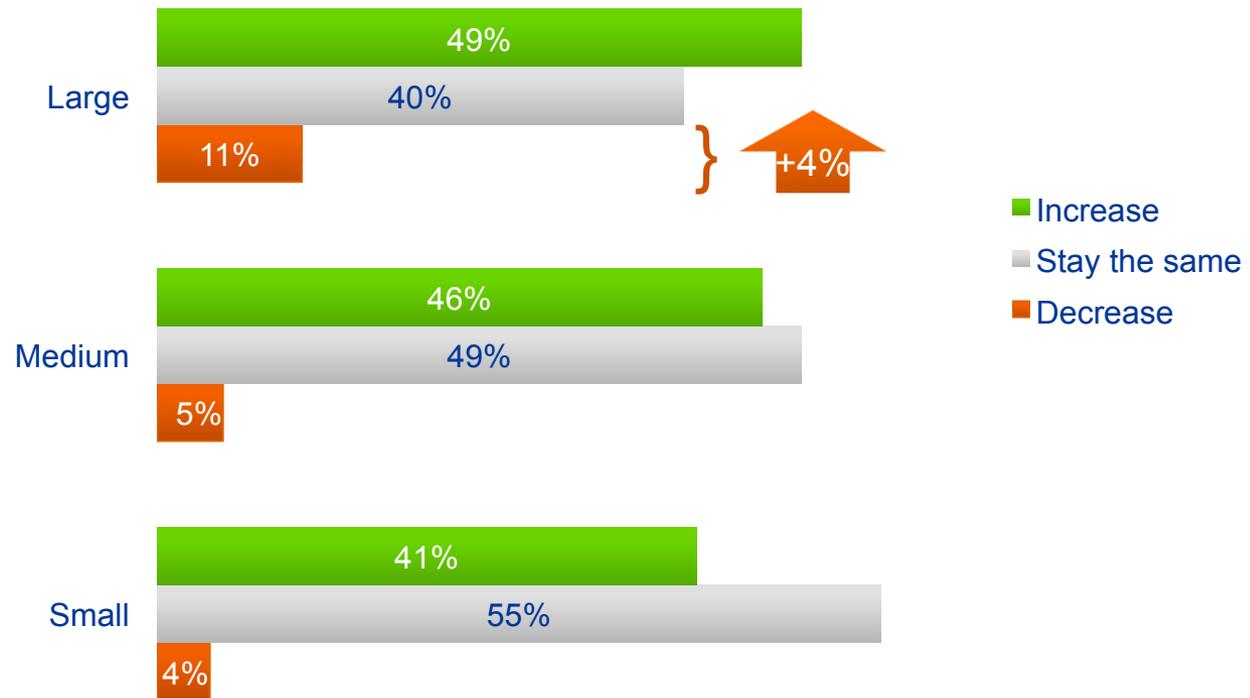
CedarCrestone HCM Application Blueprint



Spending Outlook for HR Technologies

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

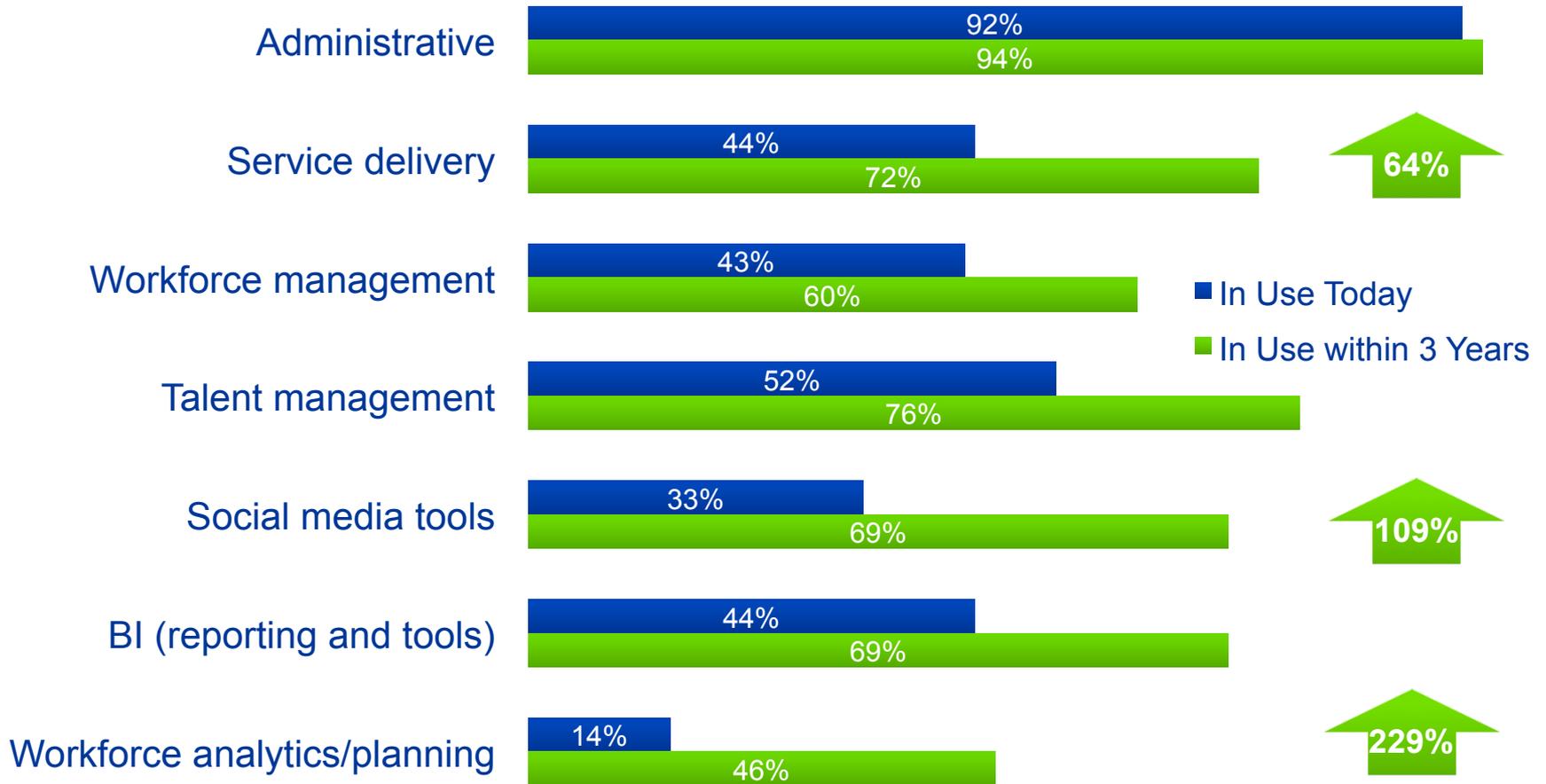
Spending Plans for Next Year by Employer Size



Three Year Adoption Outlook

The Same Three Areas Continue to Show Strongest Projected Growth

Three-year Application Outlook



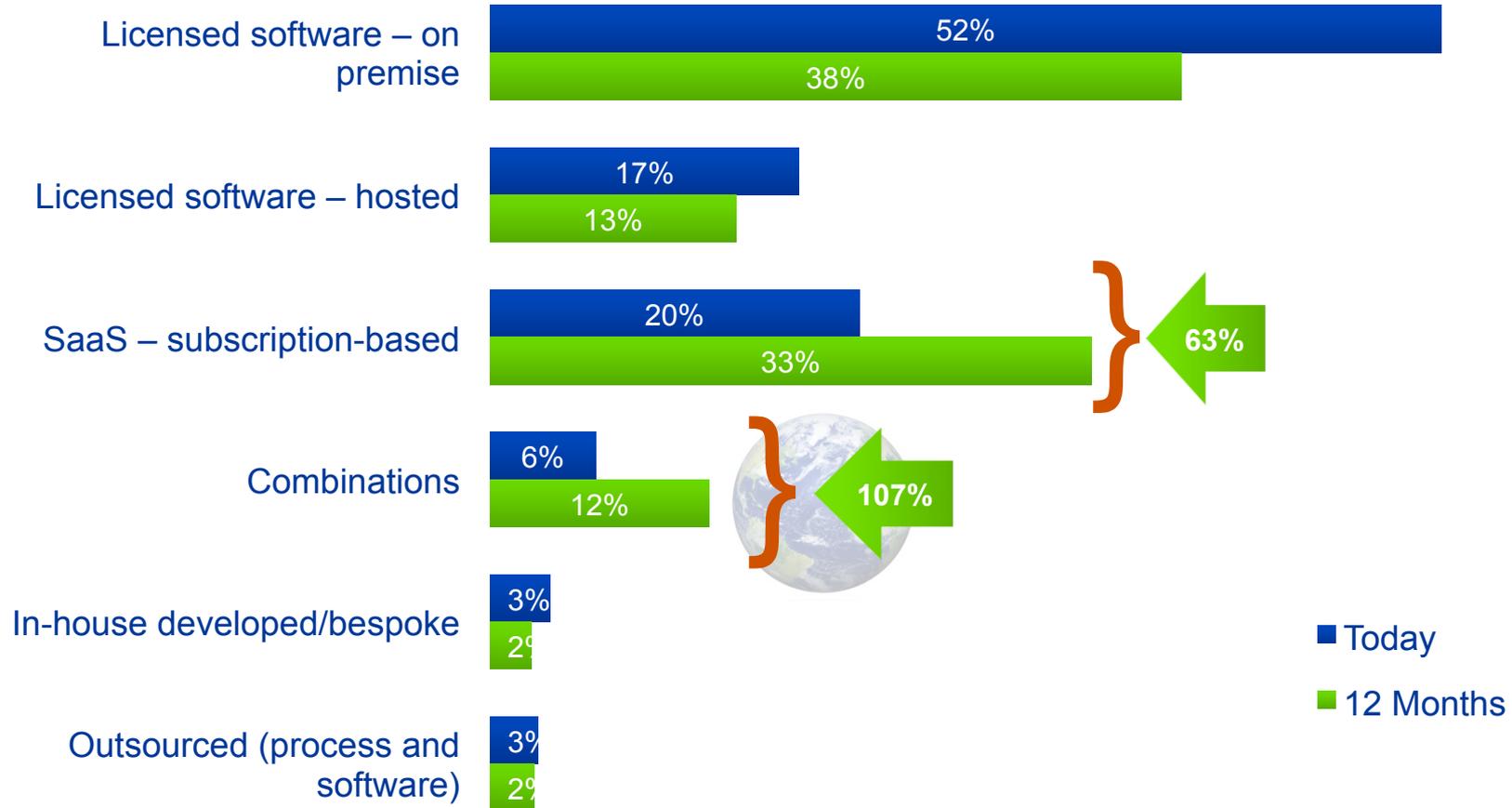
SaaS is Already the Direction for Talent Management

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

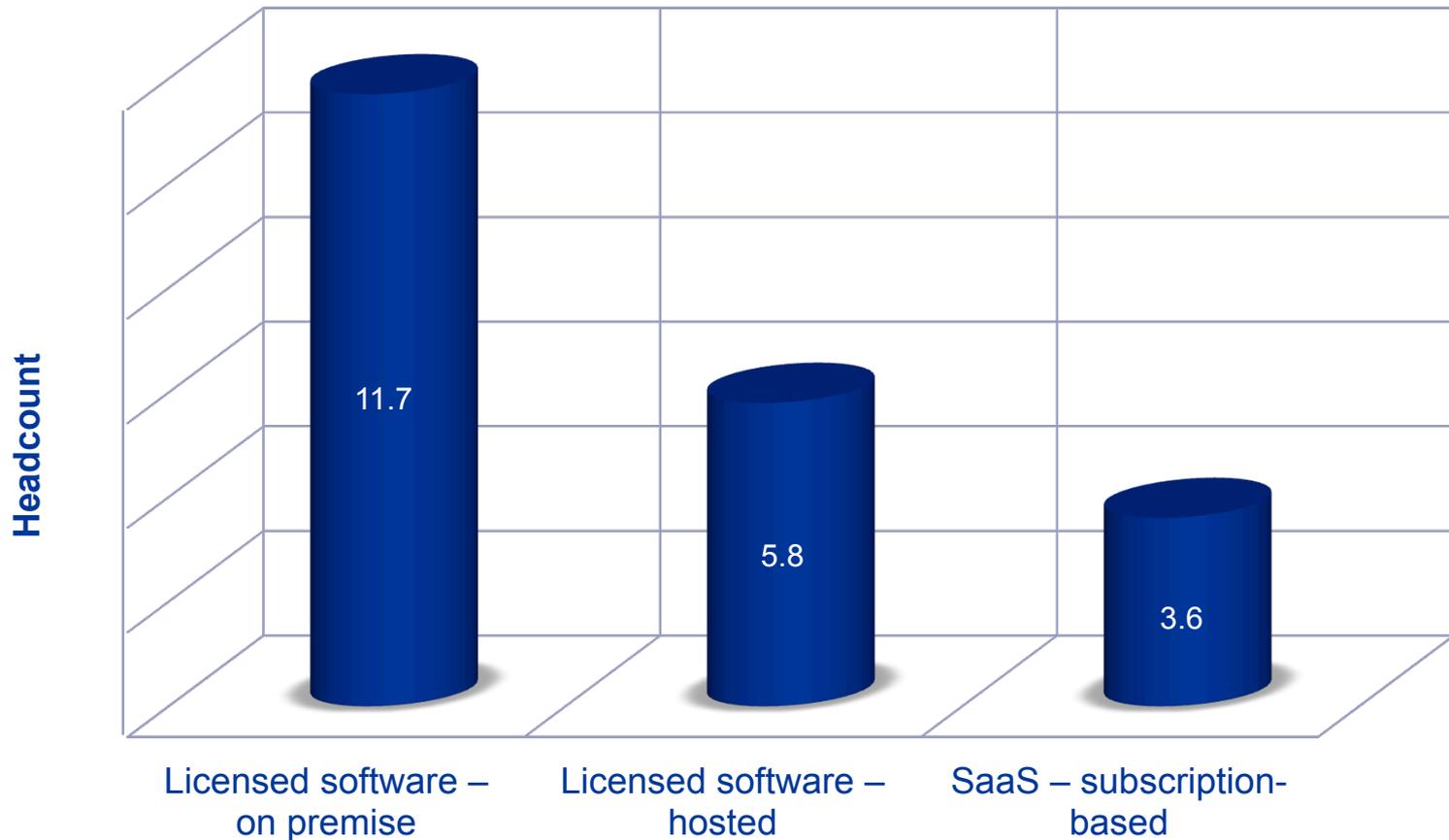
			Stakeholder Rankings		
			HR	IT	Exec.
1	Concerns about service and support (New)	57%	1	1	2
2	Integration complexities	54%	2	2	1
3	Inability to customize	51%	3	4	4
4	Security/data privacy	40%	4	3	5
5	Loss of control over systems/data	33%	5	4	8
6	Functionality not specific for our industry (New)	28%	6	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

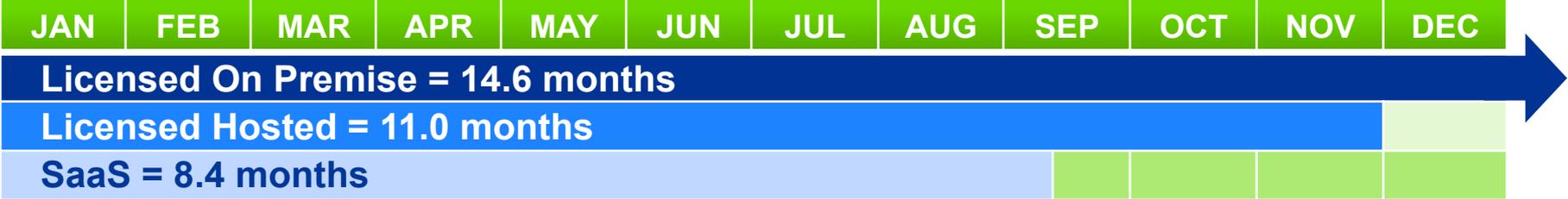
Core

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

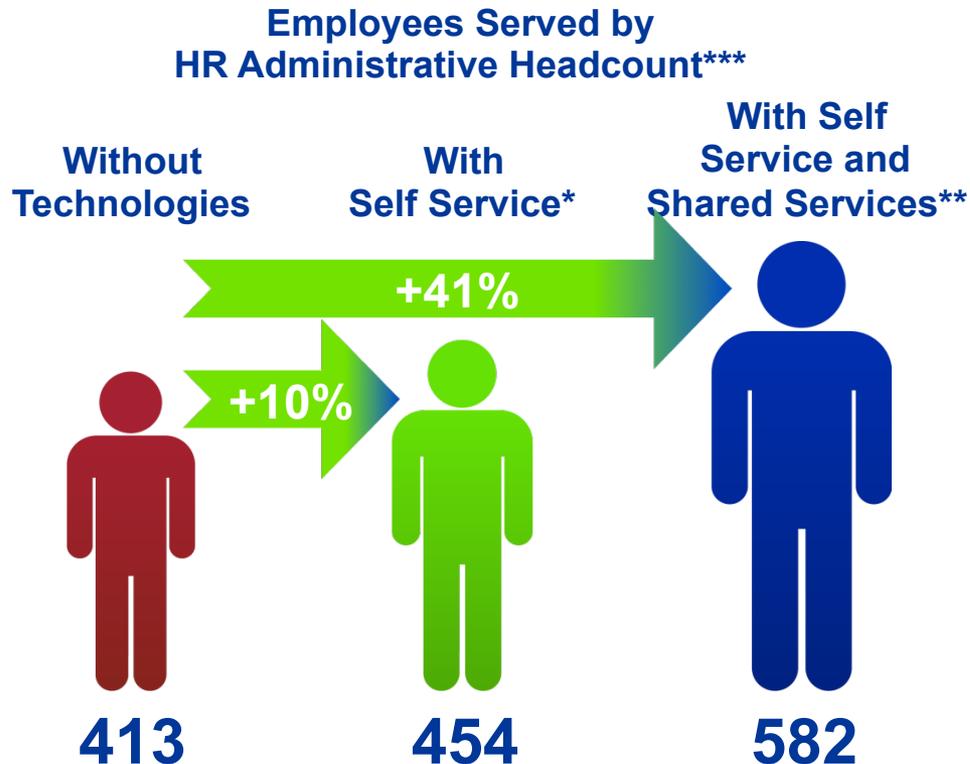


Time for New Deployment for an HRMS by Size of Organization in months



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

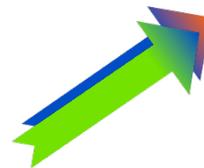
SERVICE DELIVERY VALUE:
The Shared Services Model—including an HR Help Desk Application
consistently delivers the highest level of efficiency.

Service Delivery Trends

Increases in consolidation, direct access, social, mobile, and analytics

- Consolidation of HRMS
- Increase in service centers
- Increase in employee and manager direct access
- Increase in social and mobile-enablement
- Increase of managers empowered with metrics for decision making
- Increase in organizations considering HR as strategic

	2012	2013
HR management systems	3.8	3.1
Shared service centers	1.9	3.3
Employees using direct access services	55%	64%
Managers using direct access services	46%	56%
Workforce using socially-enabled processes	6%	9%
Workforce using mobile-enabled processes	6%	10%
Managers with direct BI access	12%	15%
Organizations considering HR as strategic	32%	43%

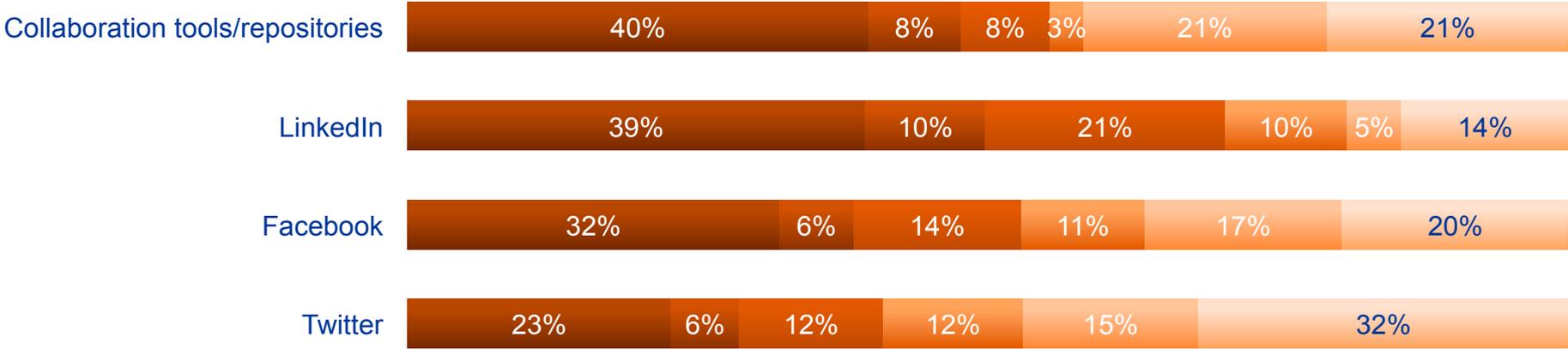


All of these trends correlate with **cost efficiency** which results in improved alignment with the business.

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

Social

Social Tools (Use and Plans)



■ Used strategically today
■ Evaluating use

■ Strategic use within 12 months
■ Not allowed

■ Allowed for individual use only
■ Not aware/no 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

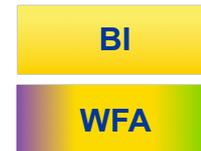
Major Mobile Enabled HR Processes

	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%

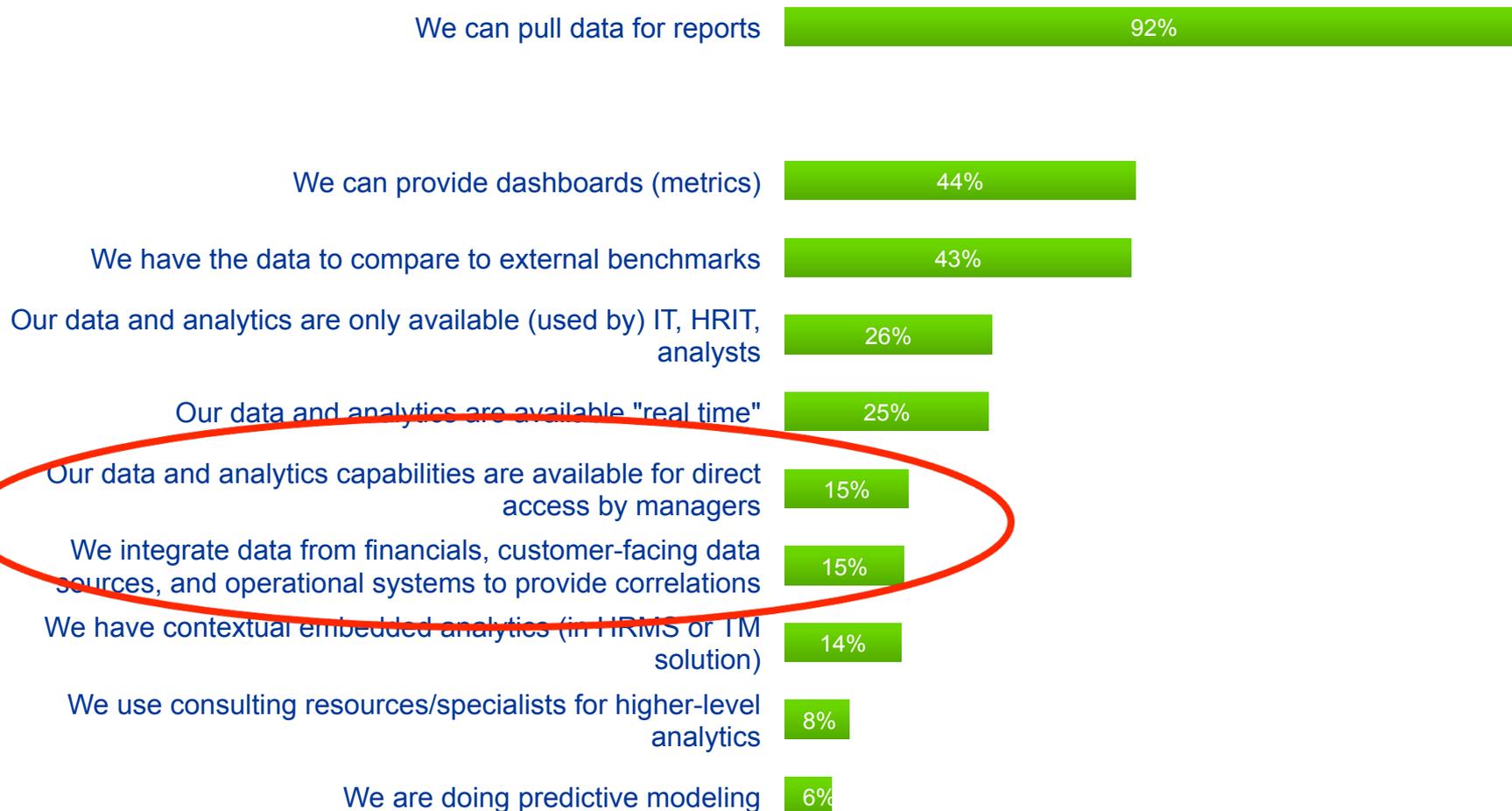
Respondents expect an overall average 95% increase for 2014

BI/Analytics Adoption:

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

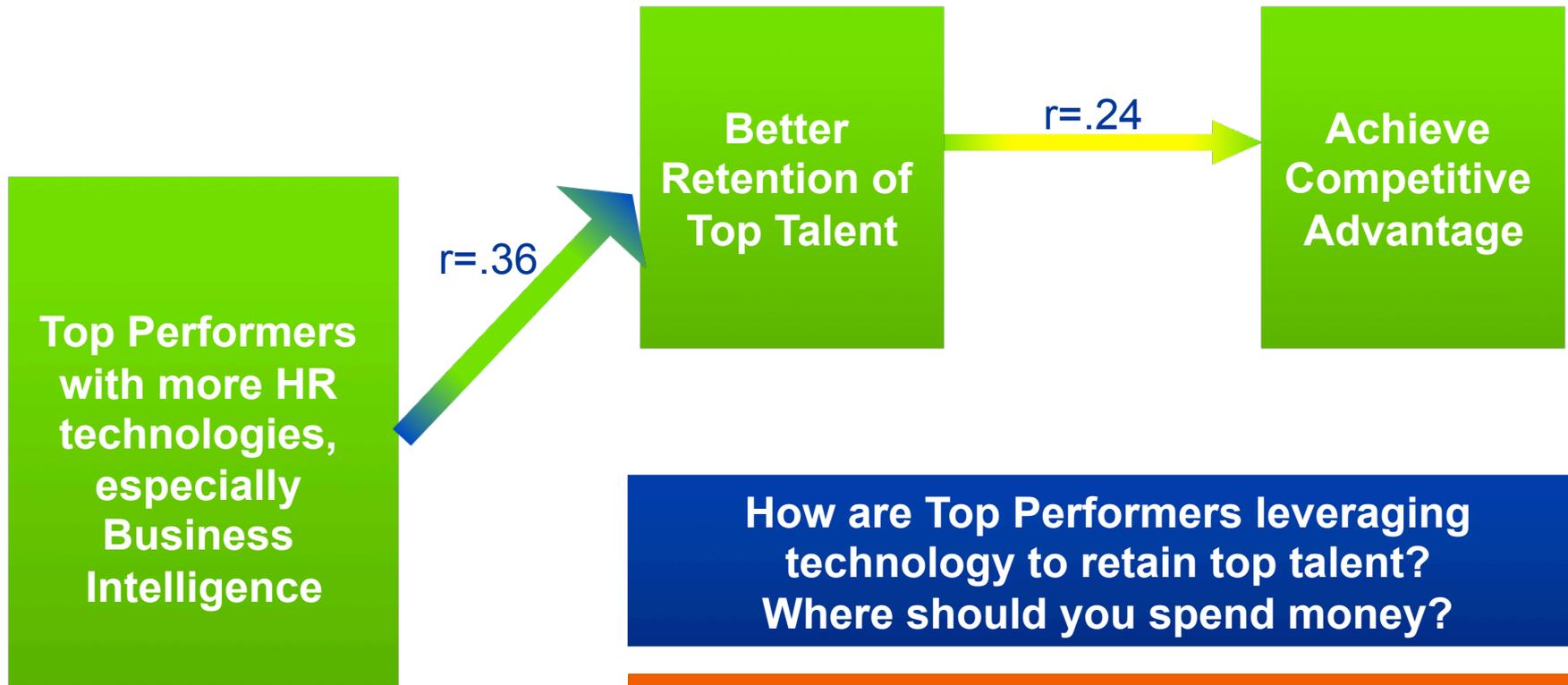


BI Delivery Approach



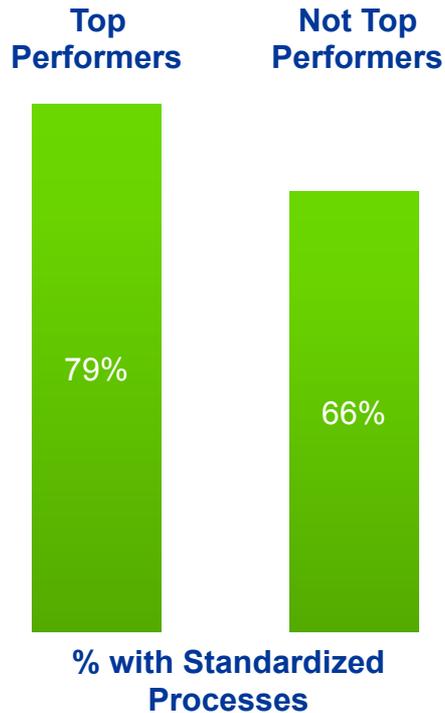
Value of HR Technologies from Statistical Analysis

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

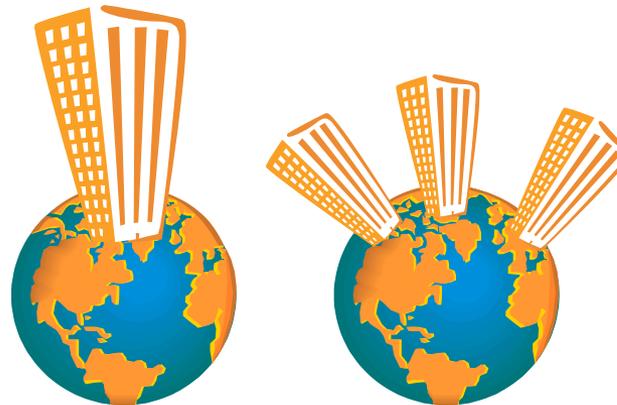


Lesson #1: Get the Basics Right and Keep it Simple

Standardize Processes

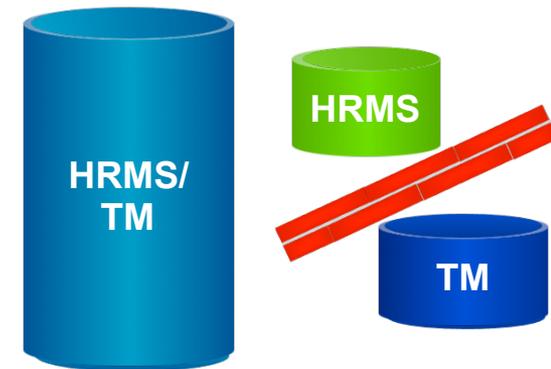


Manage Service Delivery Globally



Top Performers = 77%
Not Top Performers = 57%

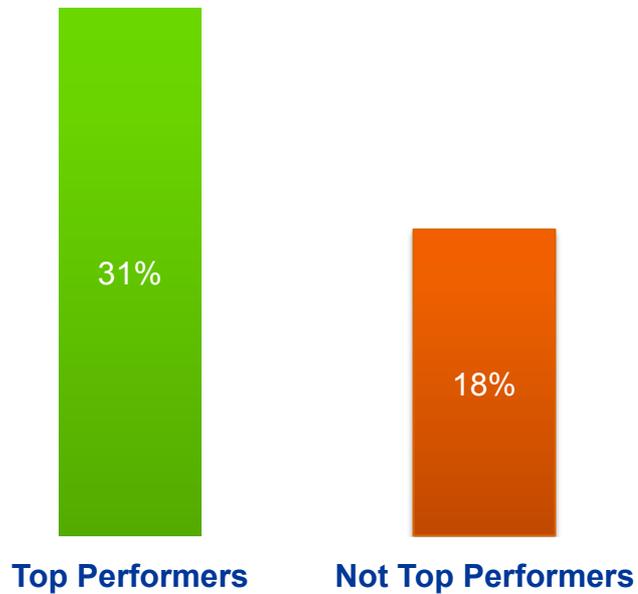
Integrate TM on HRMS



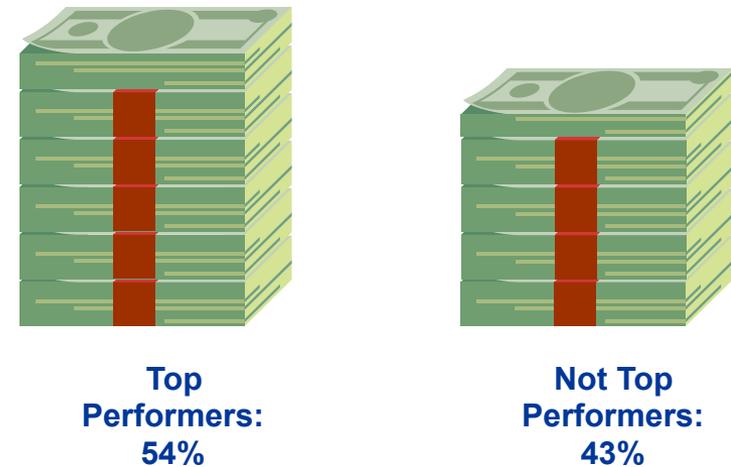
Top Performers = 77%
Not Top Performers = 59%

Lesson #2: Invest in More HR Technologies

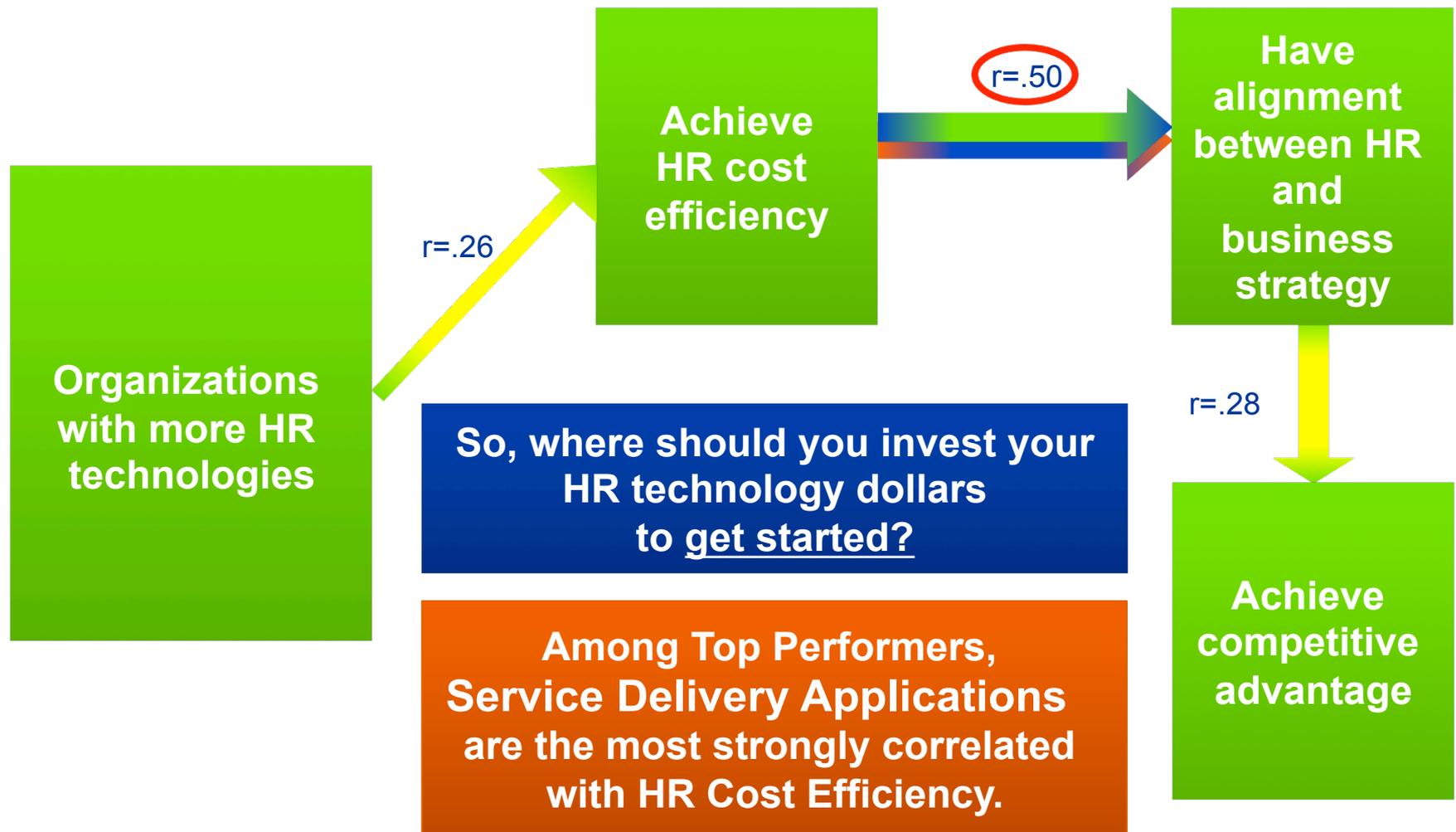
% in Top Quartile of Applications in Use



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

=

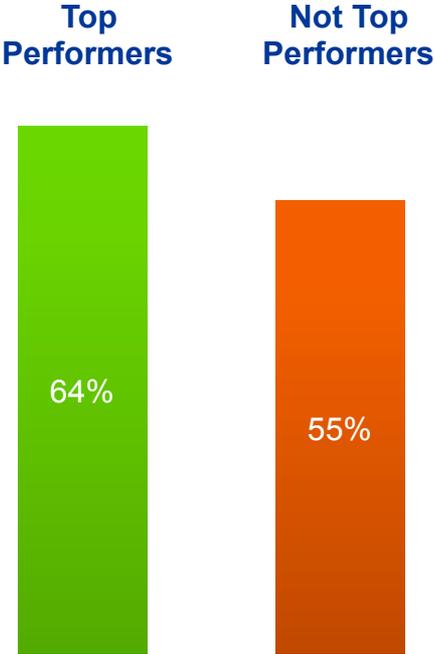


Improving their ability to:

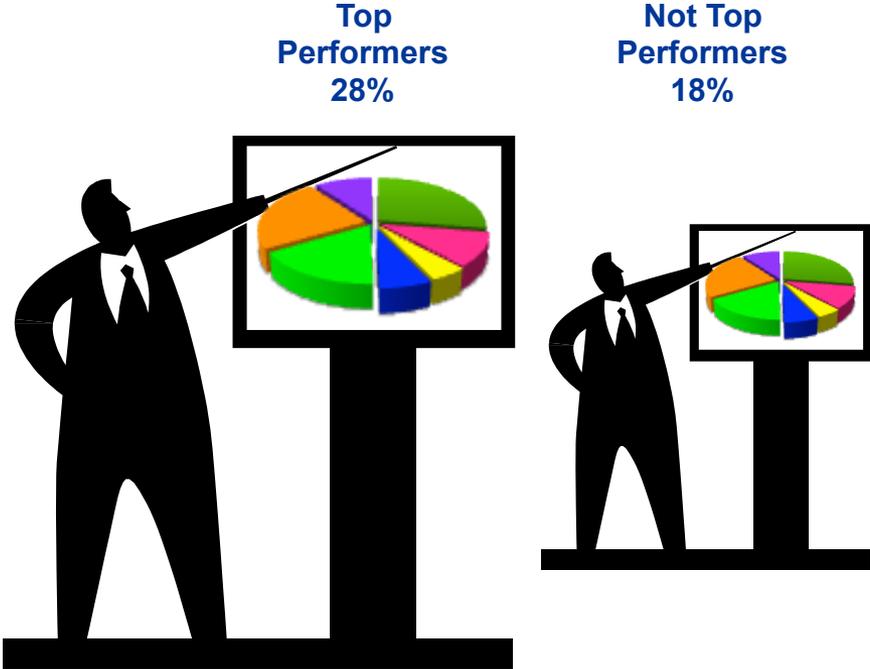
- Attract top talent (18% higher)
- Develop the workforce (19% higher)
- Retain key talent (20% higher)

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

Average Employee Use of Direct Access Services

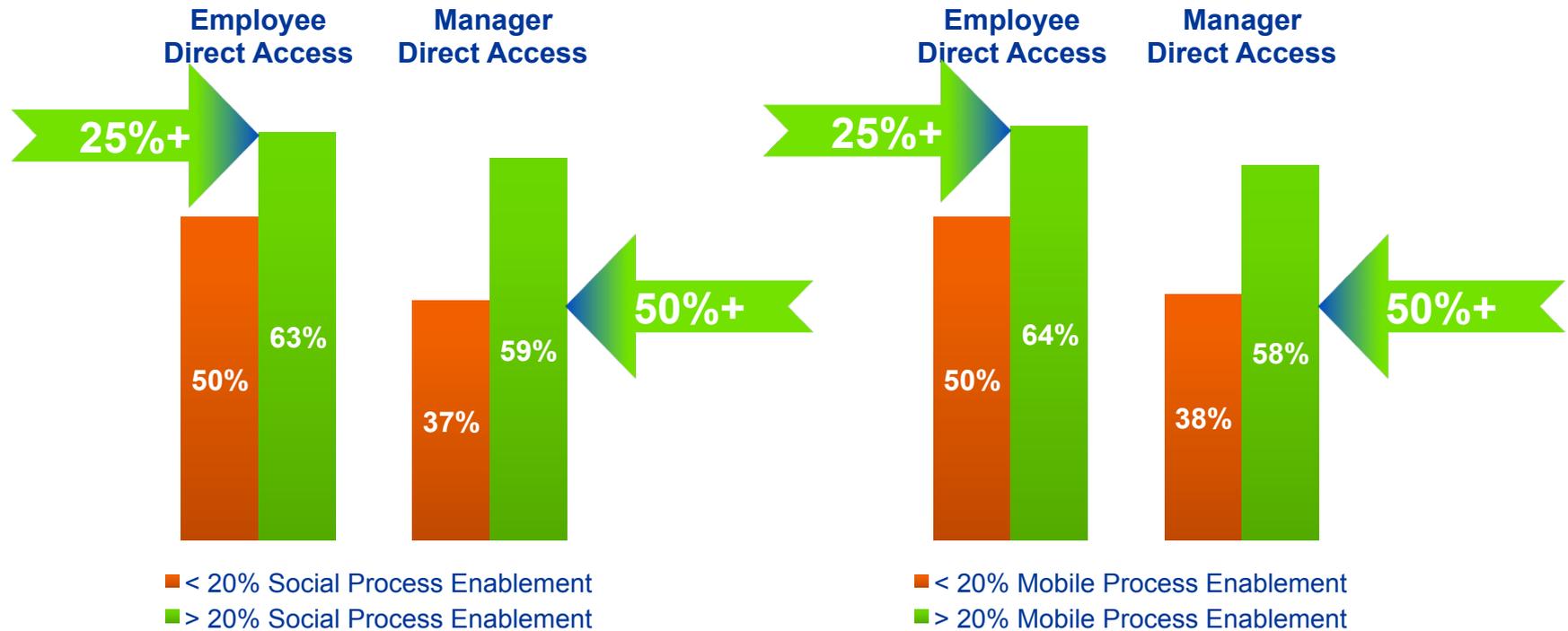


Managers with Access to BI Tools



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.

The Most Important Success Factor is CHANGE MANAGEMENT



Critical Success Factors

Executive sponsorship

Base HCM technology strategy on business strategy including strong business case with WIIFM

Governance

Business and IT partnership.
Dedicated project team.

Communication

Training

Organizational readiness

Business process documentation

Job aids and user guides

Project management

Please review the whole report for other areas not covered today

- Vendor choices for HRMS and Integrated Talent Management
- Comparative expenditure data
- Value-chain factor analysis
 - Shows that social, mobile, and workforce management applications yield not only key HR outcomes but business outcomes.
- Gamification and other emerging technologies.

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 and a promotional banner. The CedarCrestone logo is on the left. To its right is a 'Stay connected:' section with icons for YouTube, blog, RSS, Twitter, LinkedIn, and Facebook. Further right are buttons for 'Research', 'Contact', and 'Careers', and a search bar with a 'Go' button. Below this is a main navigation menu with '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 green bar 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 green 'ANNUAL SURVEY' button with a 'Share' icon. The main 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!'. The '16!' is in a large font.

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.