



Debut of the 2015–2016 HR Systems Survey Results

18th Annual Edition



OCTOBER
18–21
2015
MANDALAY BAY, LAS VEGAS



Sierra-Cedar Fast Facts

7

Service & Solution Areas

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

18

Years of Leading
HR Systems Survey &
Research

900+

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.*

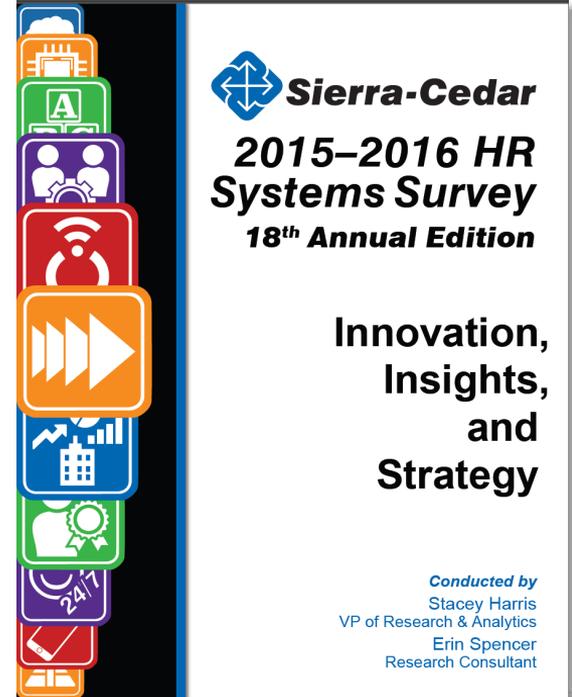
Sierra-Cedar 2015–2016 HR Systems Survey

Over 18 years of continuous data gathering

The most comprehensive survey in the industry:

- Strategy, Process, and Structure
- Administrative and Service Delivery Applications
- Workforce Management Applications
- Talent Management Applications
- BI/Analytics/Workforce Planning Applications
- Integration and Implementation
- Emerging Technologies and Innovations
- Vendor Landscape
- Workforce and HR Expenditures
- Workforce Usage and Perception

[Participate in the 19th Annual Survey](#)



[Download the 18th Annual White Paper](#)

Sierra-Cedar 2015–2016 HR Systems Survey

Demographics: All Respondents

1,204

Organizations

21 Million Employees/Contingents



Large
10,000+



27%

Medium
2,500–10,000



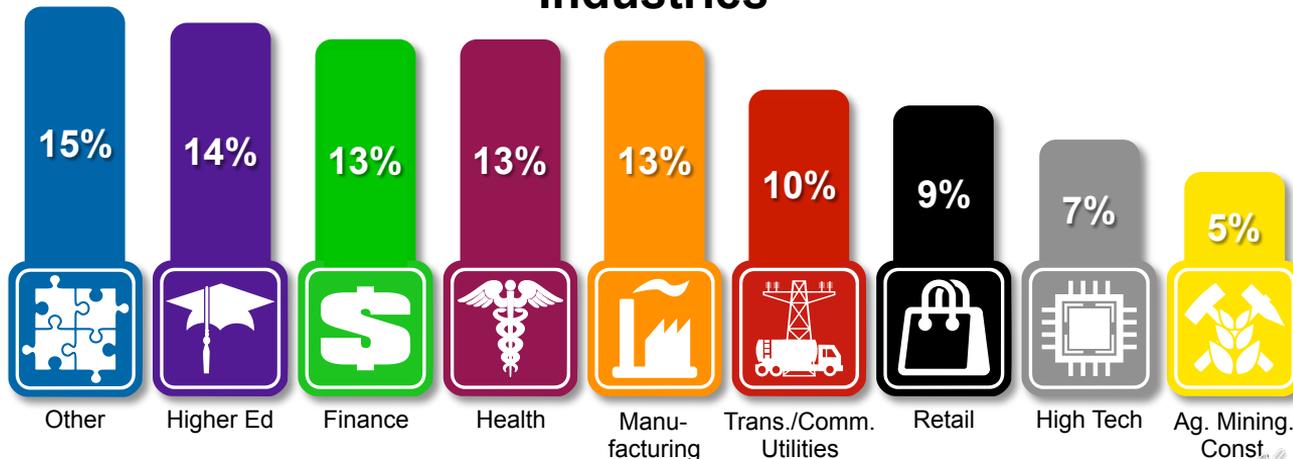
24%

Small
<2,500



49%

Industries



Key Themes for 2015–2016 Survey Results

Strategy and Culture

HR Technology Strategy



Pathways Forward



Outcome-Focused HR



Foundation

Enterprise HR Cloud



Back to Basics



Service Delivery



Innovation

Data-Driven HR



Talent-Driven HR



Wearables



Sierra-Cedar HCM Application Blueprint

FIN

General Ledger, Purchasing, Budgeting, T&E

Vendor Management

VMS

Enterprise Data Privacy

Enterprise Content

Enterprise Social

Enterprise Workflow

66%
Adoption

Service Delivery
HR Help Desk, Portal

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

Self Service/Direct Access

Employee Self Service
Manager Self Service

93%
Adoption

Administrative Apps

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

58%
Adoption

Workforce Management

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

Workforce Optimization

Workforce Planning, Workforce Analytics,
Predictive Analytics

55%
Adoption

Talent Management

Recruiting, Performance, Learning, Compensation,
Succession, Career, Talent Profile,
Onboarding, TM Analytics

39%
Adoption

Business Intelligence Foundation

Reporting/Visualization and BI tools

CRM

Network Security

Mobile Access

SOA, API, ETL

PaaS

Integration Platform

Project

Backlog, Pipeline, Customer Satisfaction

Project Costing, Contracts, Grants

@StaceyHarrisHR #HRTechConf

Outcomes and Impact

Top Performers, Talent-Driven, and Data-Driven Organizations

Top Performers



Top Quartiles

- Revenue/Employee
- Profit/Employee
- OIG (1 year)
- Return on Equity

Talent Driven



- Mature Career Planning
- Succession Mgmt
- Metric Outcomes
 - Employee engagement
 - Workforce readiness
 - Retention risks
 - Top talent

Data Driven



- Mature Workforce Analytics
- 3+ Metrics
- 20%+ Managers/BI
- 3+ Data Sources

Data-Driven & Talent-Driven Organizations

Seen as Strategic Business Partners that Rock the Numbers



Strategic Value



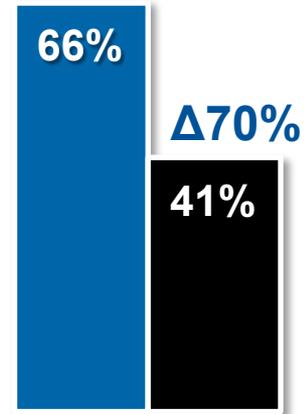
Return on Equity



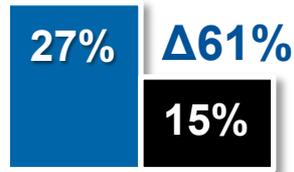
Strategic Value



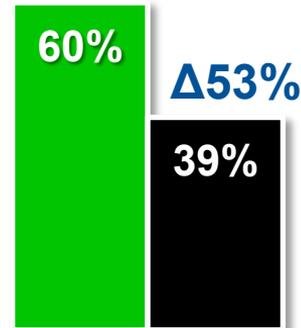
Return on Equity



Data-Driven Organization



Everyone Else



Talent-Driven Organization

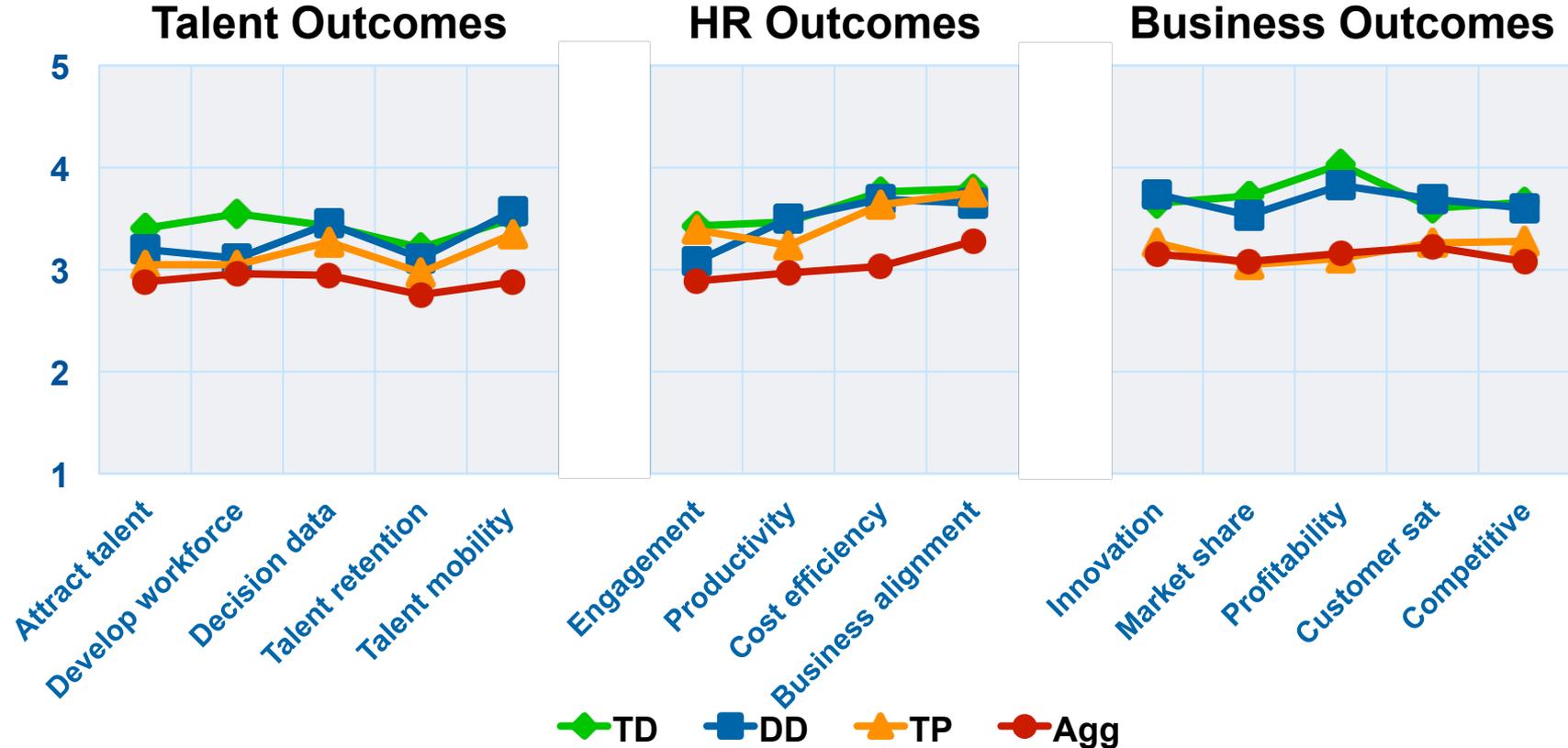


Everyone Else

1.4 Xs
Higher Revenue/
Employee

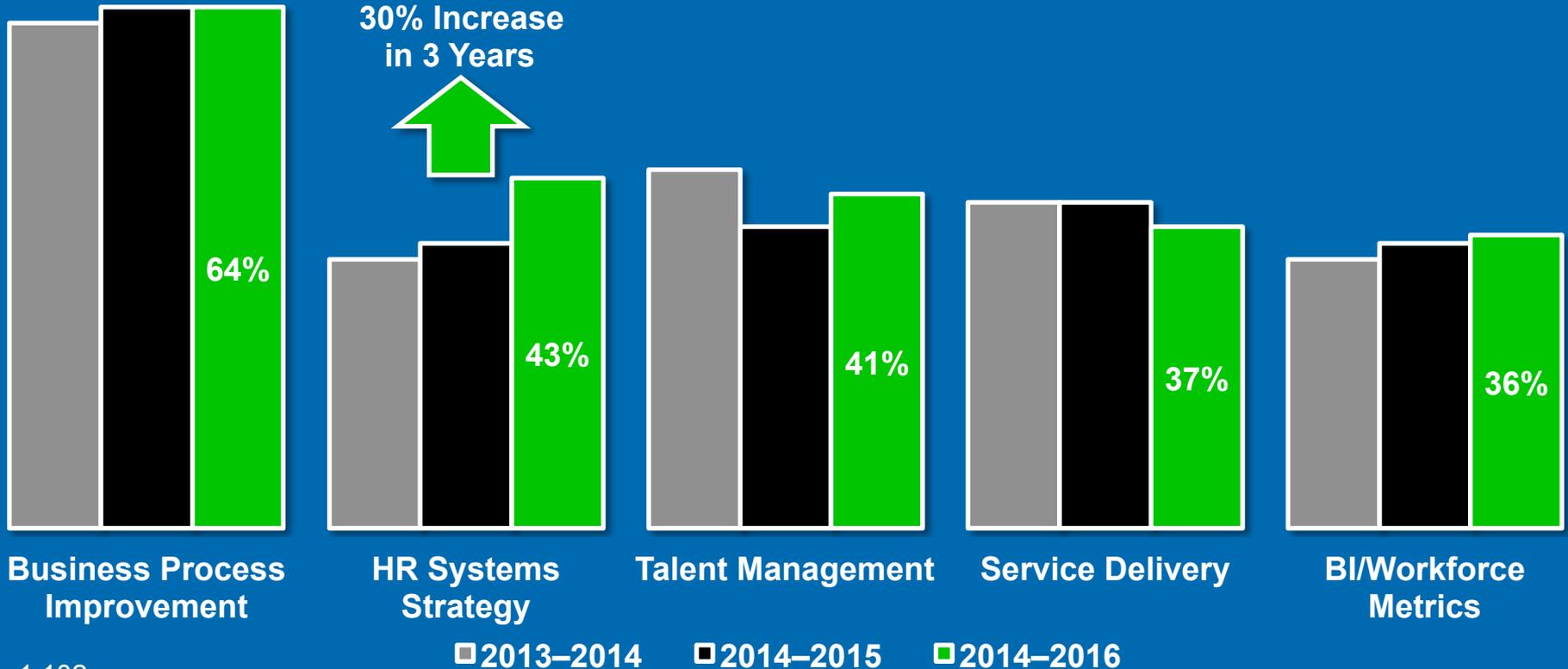
Achieving Outcomes Requires Focus

Talent- and Data-Driven Organizations Achieve Best Outcomes



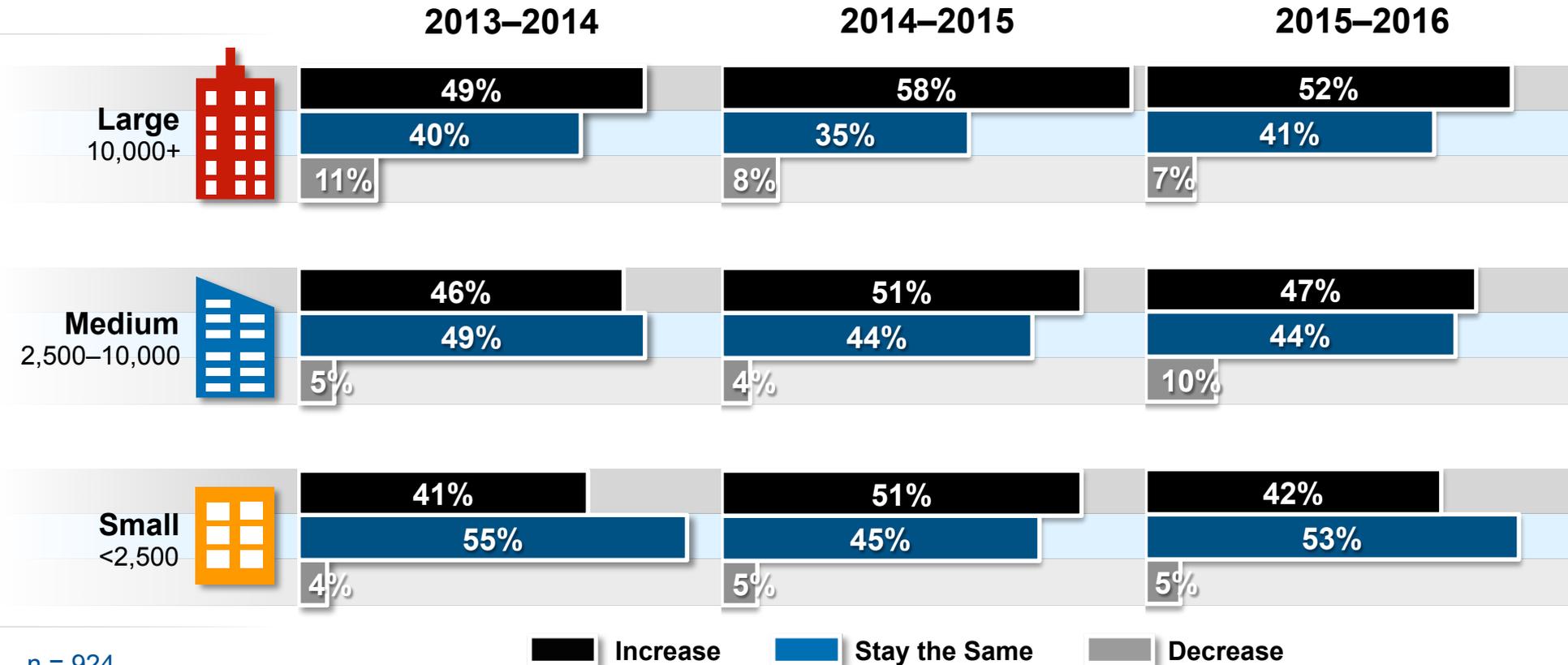
Top 5 HR Technology Initiatives

Where are you spending 25% of your Time and Resources?



n=1,102

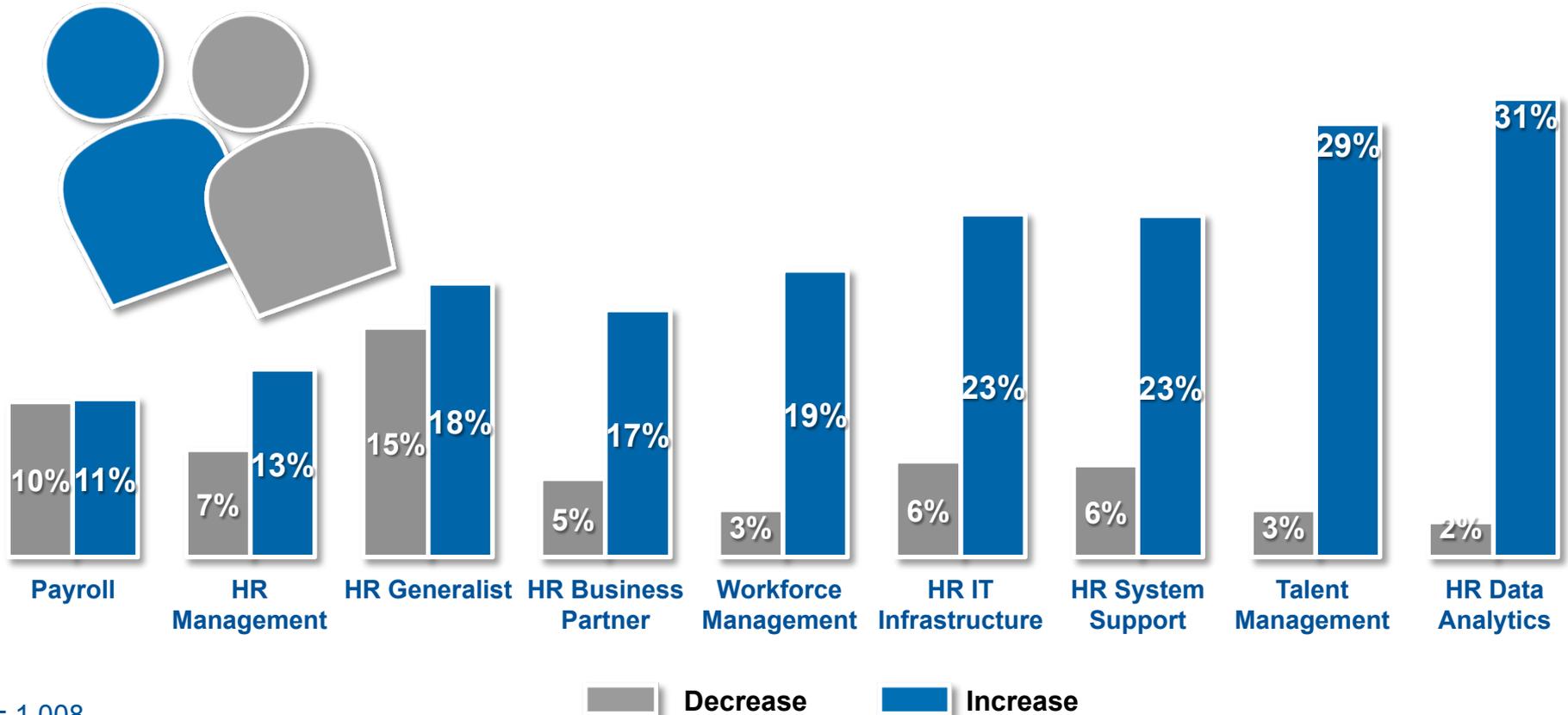
2015–2016 HR Tech Spending Trends Outlook



n = 924

Tomorrow's HR is More Focused and Analytical

What HR roles does your organization plan to increase or decrease this year?



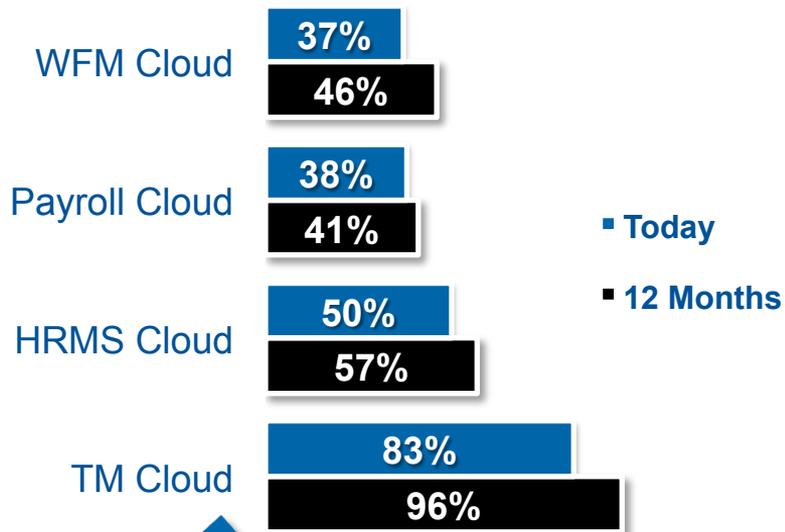
n = 1,008

Decrease Increase

The Enterprise HR Cloud Conversation

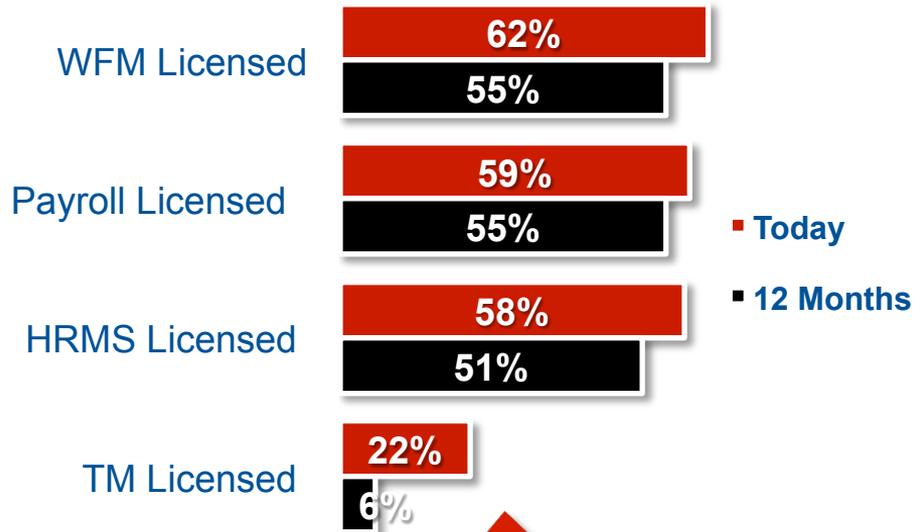
Movement to the Cloud is about transforming the User Experience

SaaS/Cloud Deployments



3.5
Average User Experience Scores

On Premise Deployments



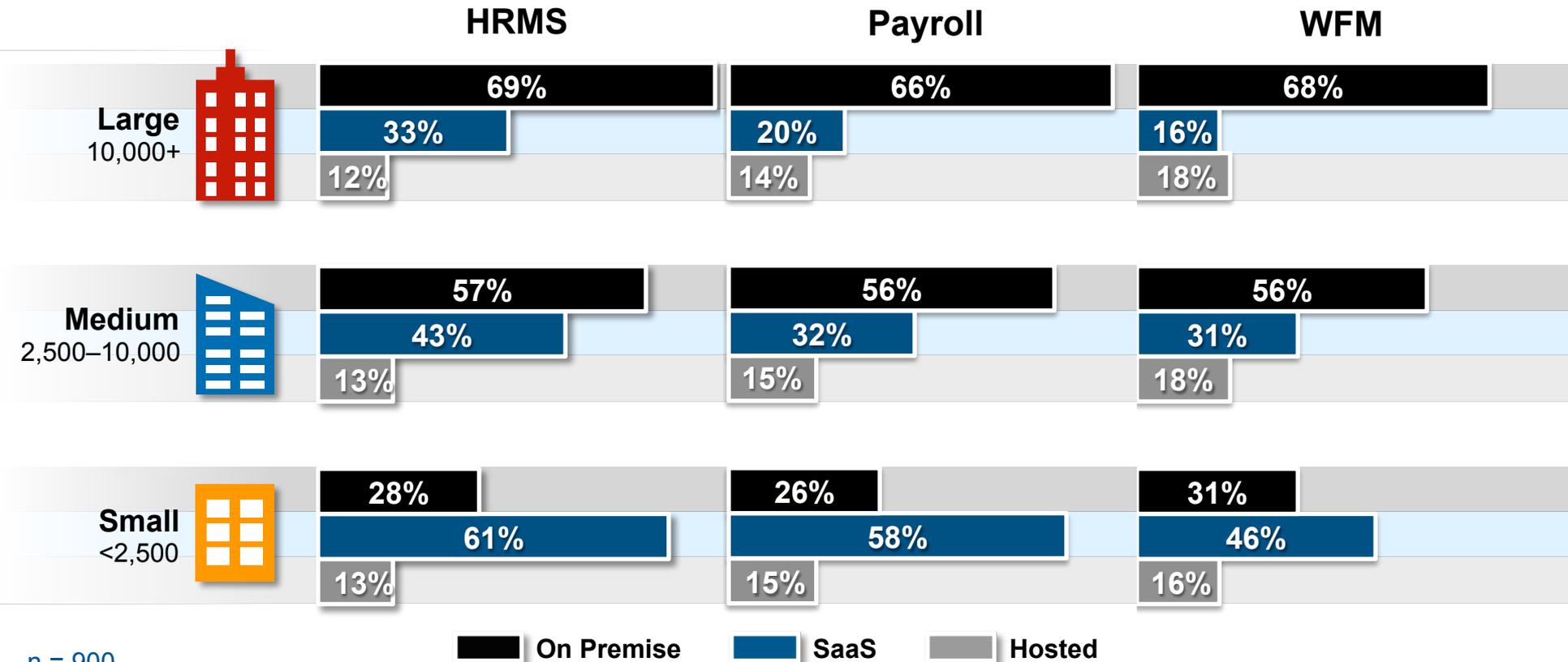
3.0
Average User Experience Scores

n = 900

Note these include combination and hosted environments

2015–2016 Deployments by Size

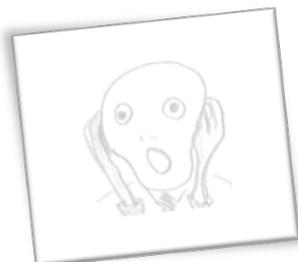
Organizations Under 2,500 Employees are Moving the Fastest



n = 900

Multiple Pathways to an HR Tech Transformation

There is no right or wrong way to move to the Cloud



Rip & Replace
Move everything all at once
to the Cloud

26.5%

Hybrids
Move ONLY TM or WFM
applications to the Cloud

18%

Parallel/Patchwork
Combination Licensed and
Cloud Solutions

21%

Hosting/Outsource
Single Tenant Hosting or
BPO

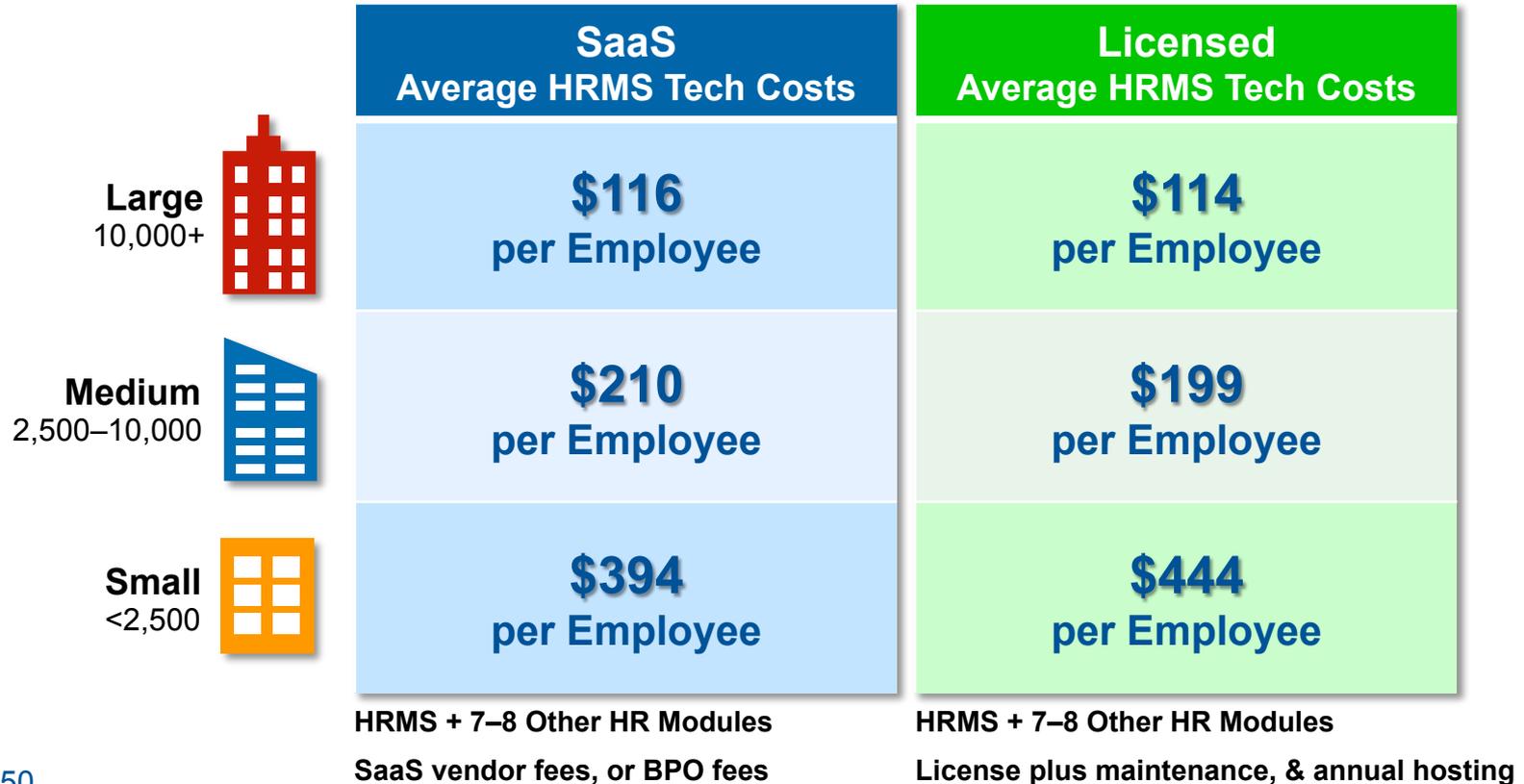
15%

High Risk

Low Risk

Focused Reactive

HR Technology Costs Vary Little by Deployment

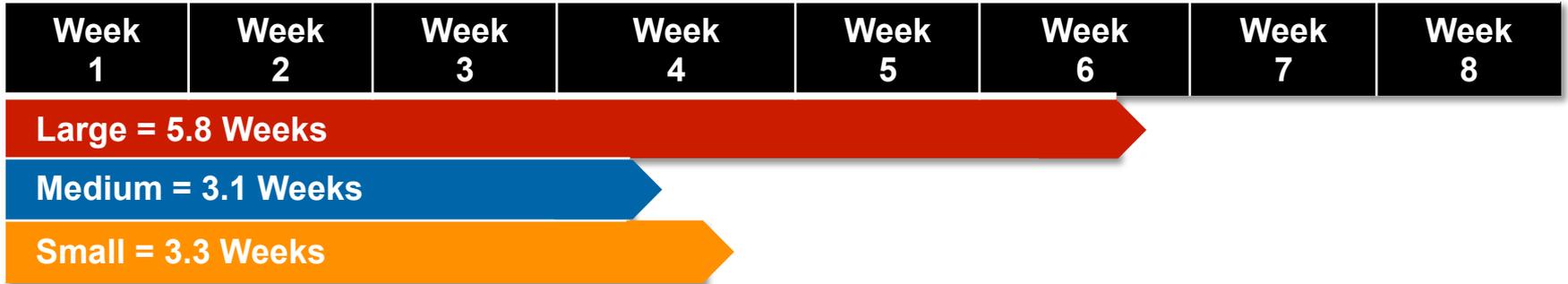


n = 350

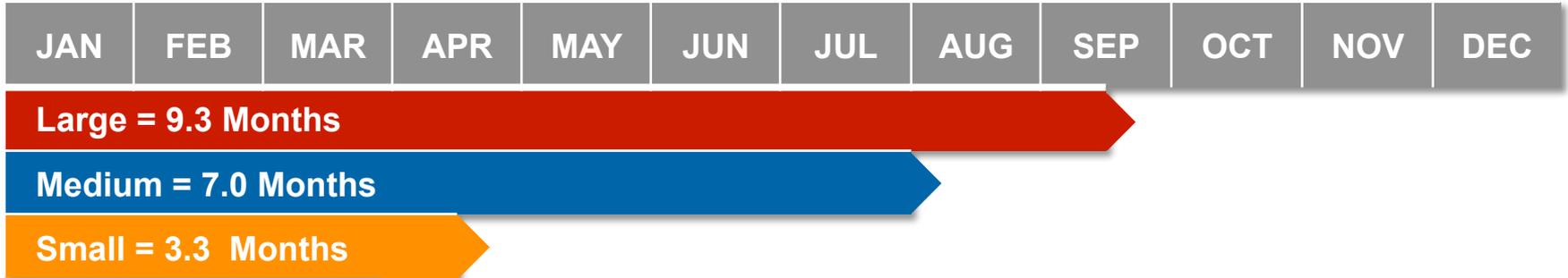
Updates and Upgrades

The Big Change is Moving to Constant Change

SaaS HRMS Update Average # of Weeks



Licensed HRMS Upgrade Average # of Months

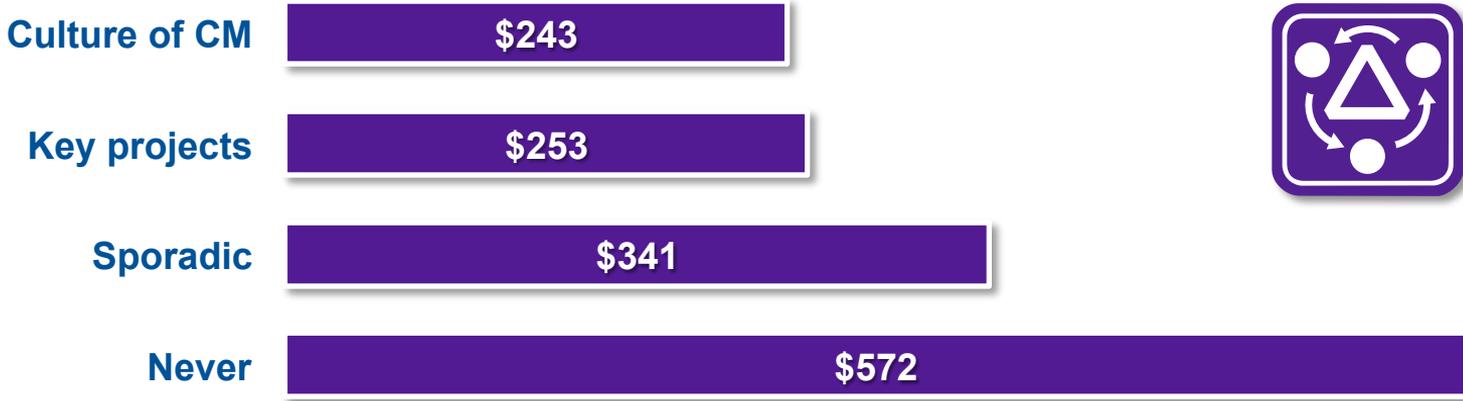


n = 400

Benefits of Change Management

2nd year in a row we've found Cost and Perception Outcomes!

Total HR Technology Costs/Employee



Change Management Increases Strategic Value of HR

2 X

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

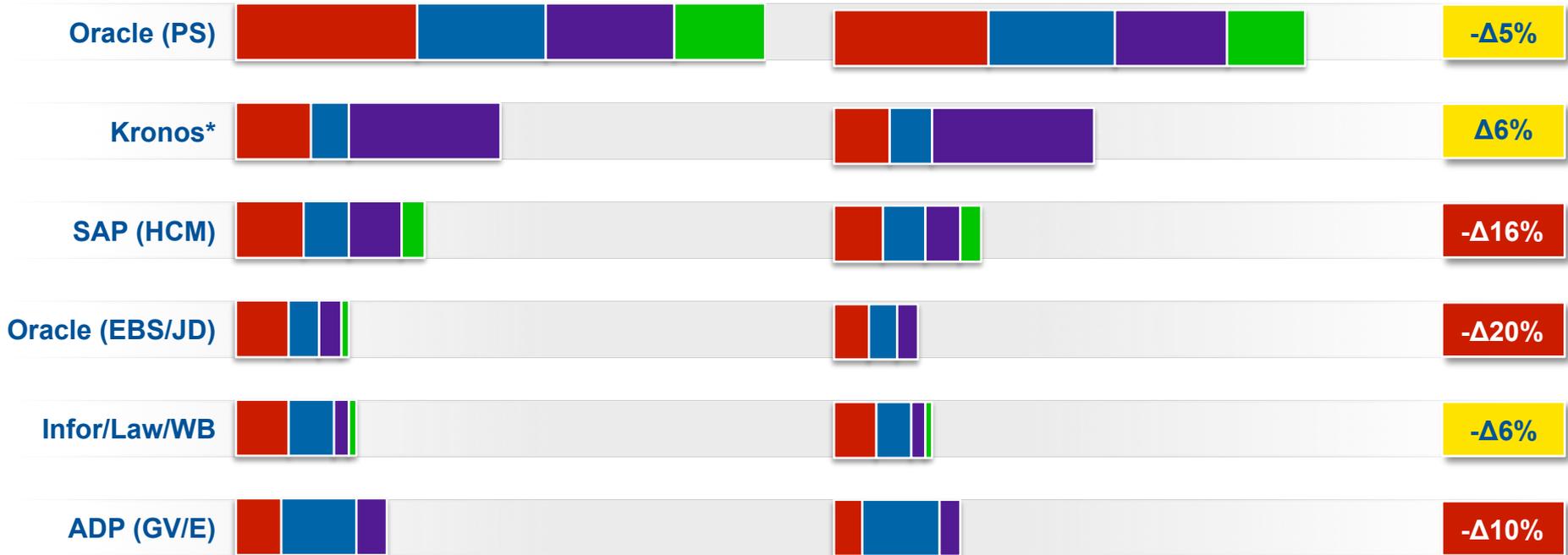
n = 700

Total HCM Legacy Solutions

The Future is Inevitable, but The Timeline is Unknown

Adoption Today

Planned Adoption in 12 Months

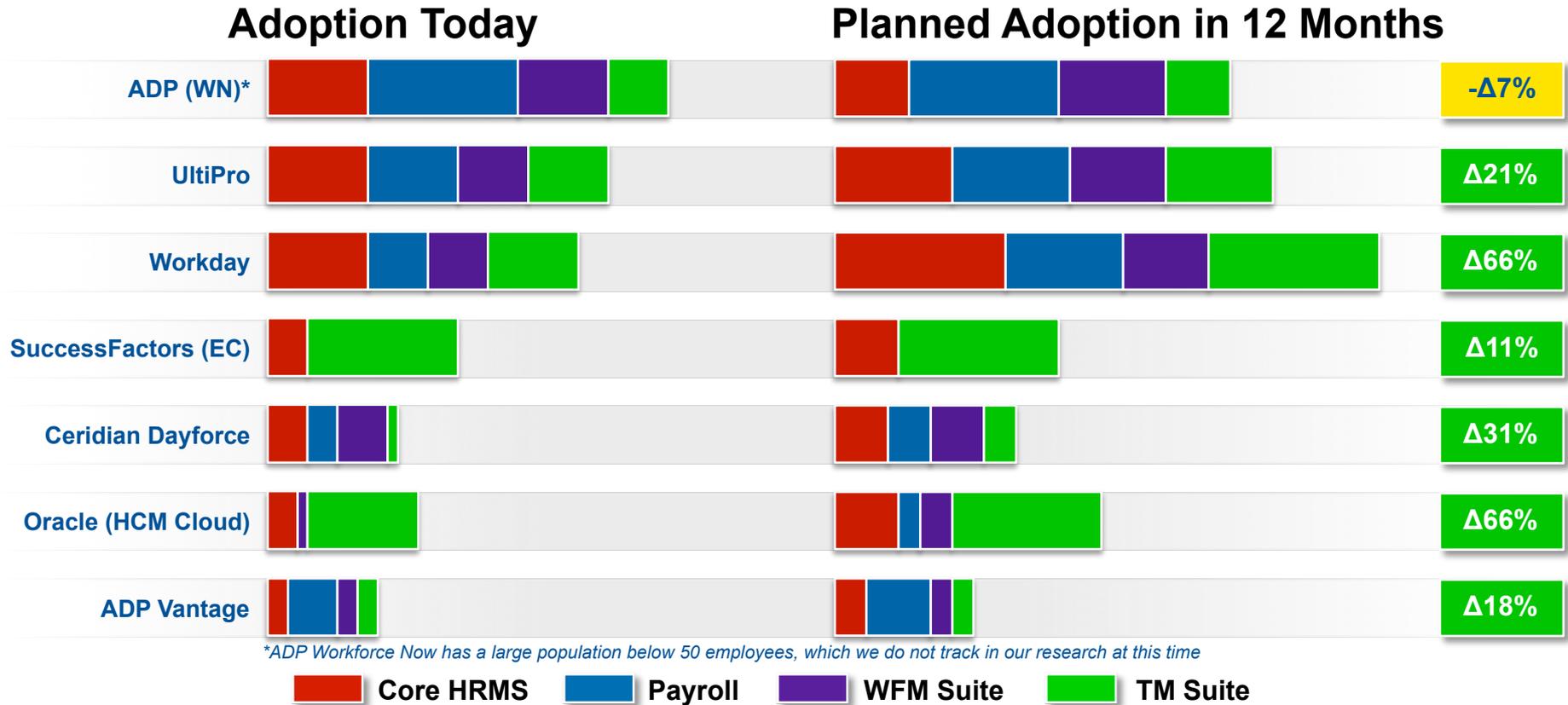


* Kronos is not split into its two primary solutions for this analyses, which includes both a legacy solution and new solution

Core HRMS Payroll WFM Suite TM Suite

Total HCM Cloud Solutions

Growth Across All New Platforms

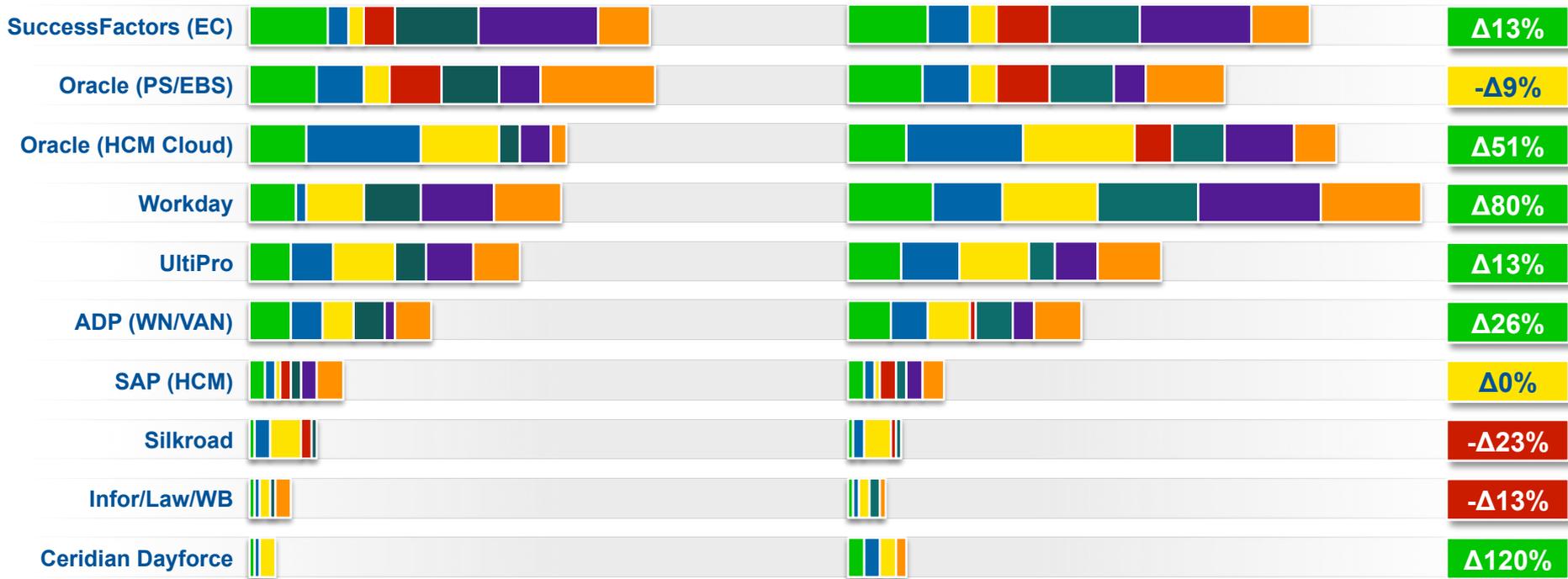


Total Talent Management, HRMS Suites

12 Month Adoption Favors Enterprise Platform Suites

Adoption Today

Planned Adoption in 12 Months



Total Talent Management, TM Suites

Talent Suites Need to Differentiate to Compete

Adoption Today

Planned Adoption in 12 Months

Cornerstone
OnDemand



Δ2%

SumTotal/SS



-Δ20%

Halogen



Δ31%

Kenexa/IBM



-Δ16%

PeopleFluent



Δ10%

Saba

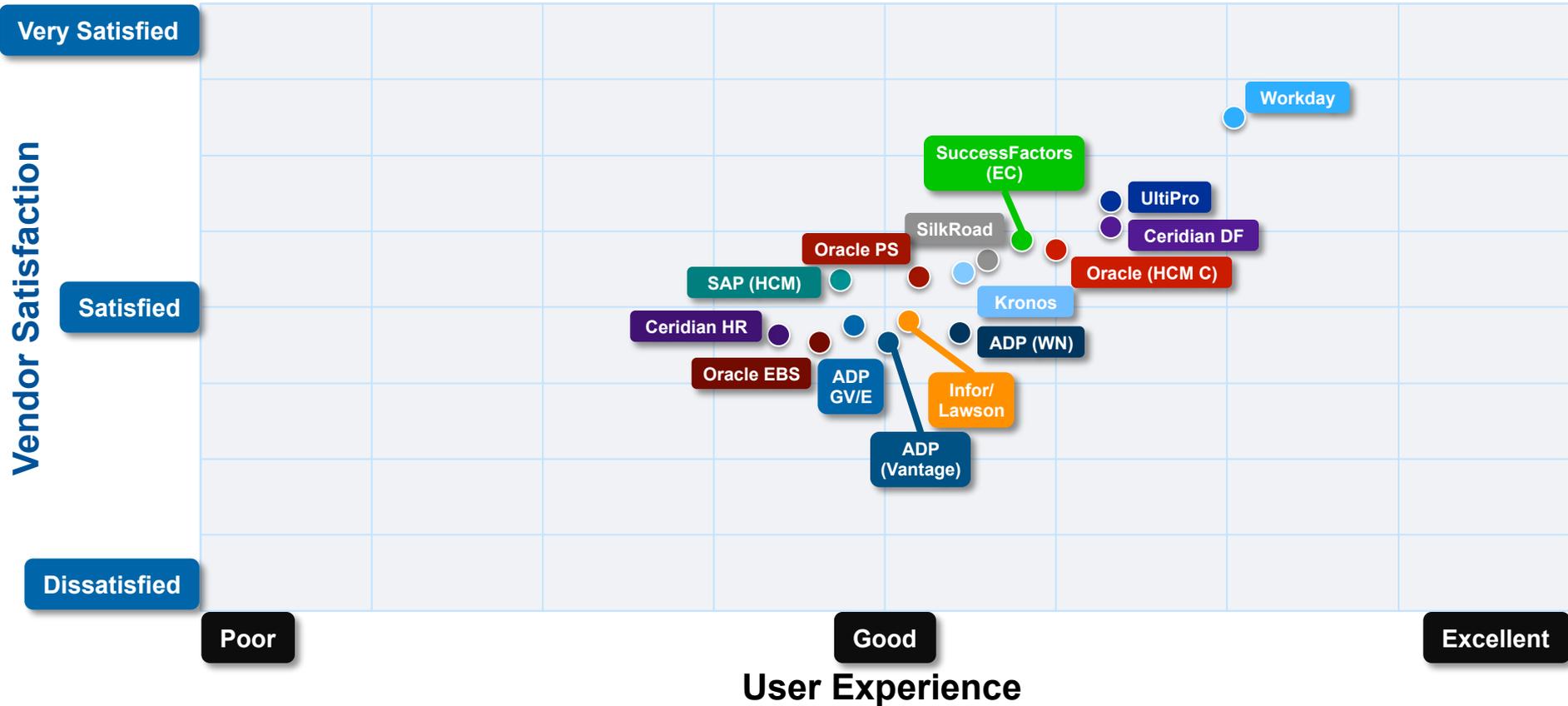


Δ0%



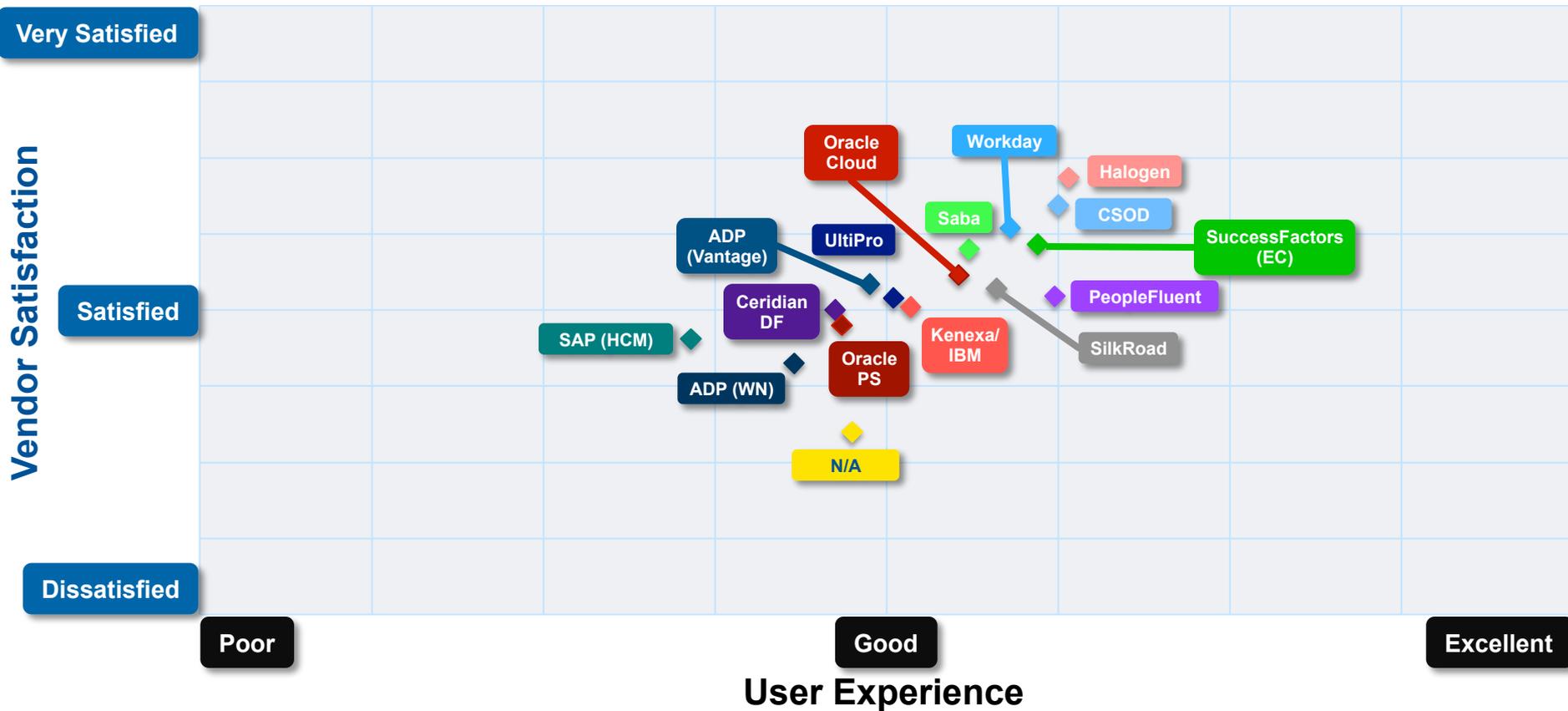
HRMS Vendor Satisfaction and User Experience

Greatest Impact on Vendor Satisfaction = 's User Experience



ITM Vendor Satisfaction and User Experience

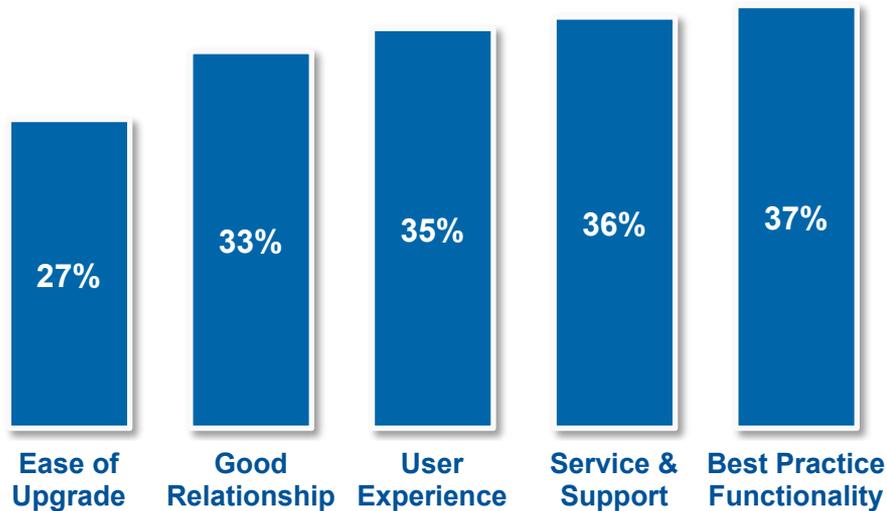
Talent Suites Achieve Highest Scores, but Overall TM Satisfaction is Lower



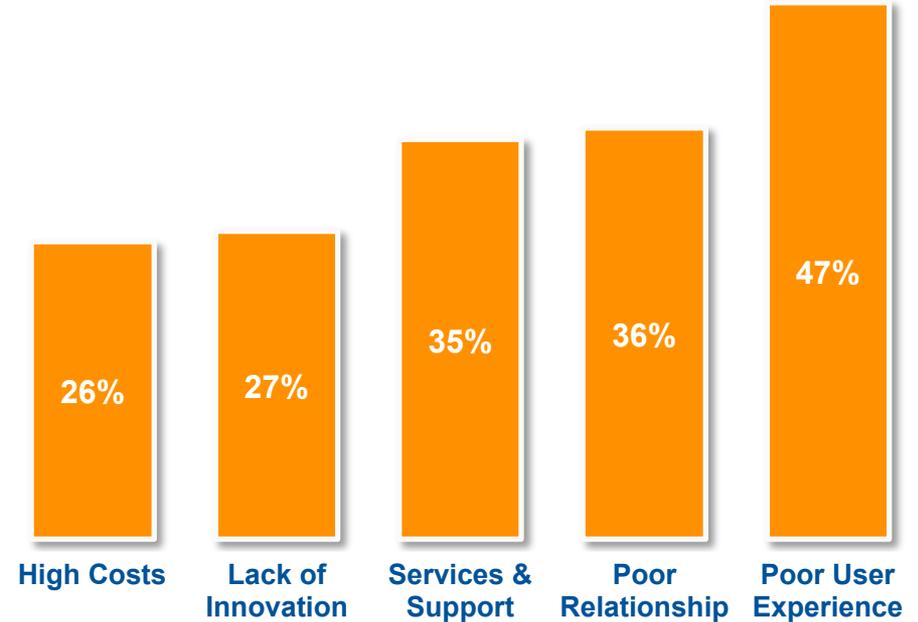
High and Low Vendor Satisfaction Drivers

Out of 13 Choices the Same Issues Showed Up On Both Charts

Top Benefits Correlated with High Vendor Satisfaction



Top Challenges Correlated with Low Vendor Satisfaction



Voice of the Customer: Benefits & Challenges

Customers Are More Aligned on Legacy Platform Benefits/Challenges

	Average Benefit Alignment	Average Challenge Alignment
ADP GV/E		
Infor/Lawson		
Kronos		
Oracle (EBS)		
Oracle (PeopleSoft)		
SAP (HCM)		

 = 20%

 = 20%

Top Benefits:

- Ability to Customize
- Industry Specific Solutions
- Good Vendor Relationship
- Good Service and Support

Top Challenges:

- Lack of Innovation
- Poor User Experience
- High Costs
- Poor Upgrade Handling

Voice of the Customer: Benefits & Challenges

Customers are Generally Less Aligned on Cloud Solutions

	Average Benefit Alignment	Average Challenge Alignment
ADP WFN/Vantage		
Ceridian Dayforce		
Oracle (HCM Cloud)		
SuccessFactors EC		
Ultimate		
Workday		

 = 20%

 = 20%

Top Benefits:

- Best Practice Functionality
- Positive User Experience
- Good Vendor Relationship
- Ease of Configuration

Top Challenges:

- High Costs
- Poor Service & Support
- Lack of Integration
- Lack of Customization

Checklist To High User Experience Scores

Order of Impact!



- Mobile Access Admin Applications
- Enterprise Integration Strategy
- HRMS and Talent Management = Same Solution
- Central Shared Services Model
- Stay Current on Licensed Software
- Customize Less
- Actually Roll out: Employee and Manager Self Service
- Get your own Processes in Order

What Is HR Analytics?

DESIGN

IMPLEMENT

Identify Need/
Question

Identify Data/
Analysis Plan

Collect
Data

Clarify Data
& Actionable
Insights

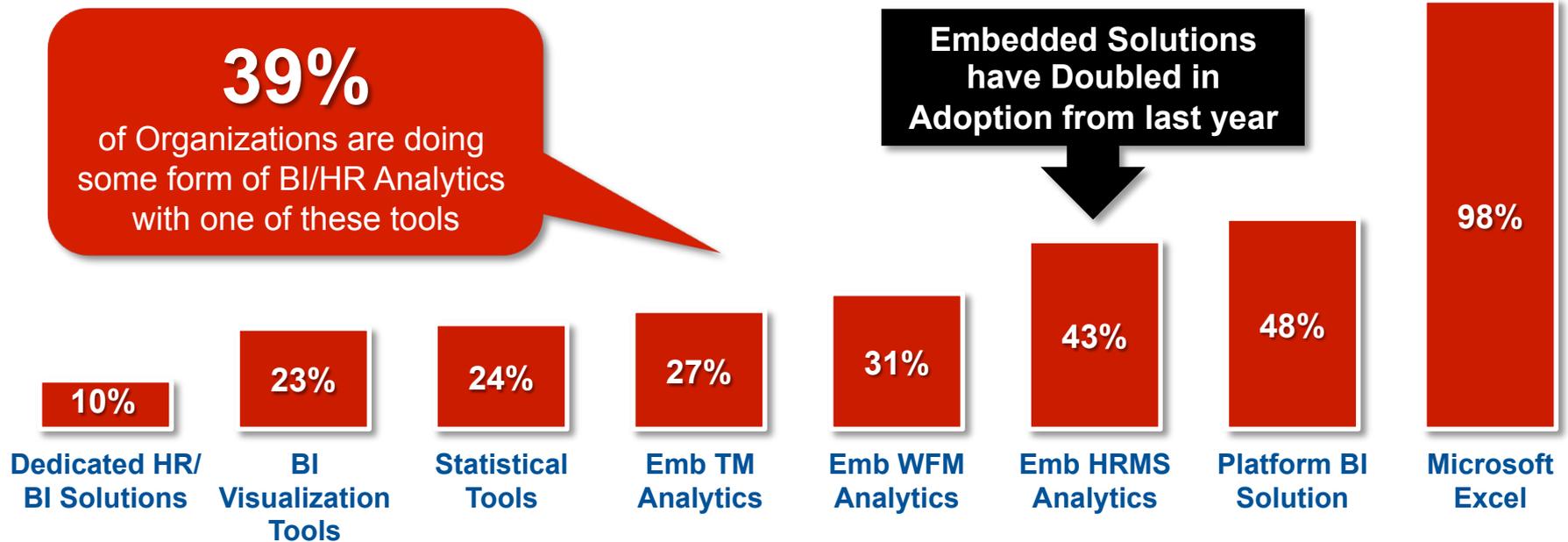
Share Results &
Solutions

Start
Again

Business Intelligence/HR Analytics

We Might Be Breaking Through the Barriers

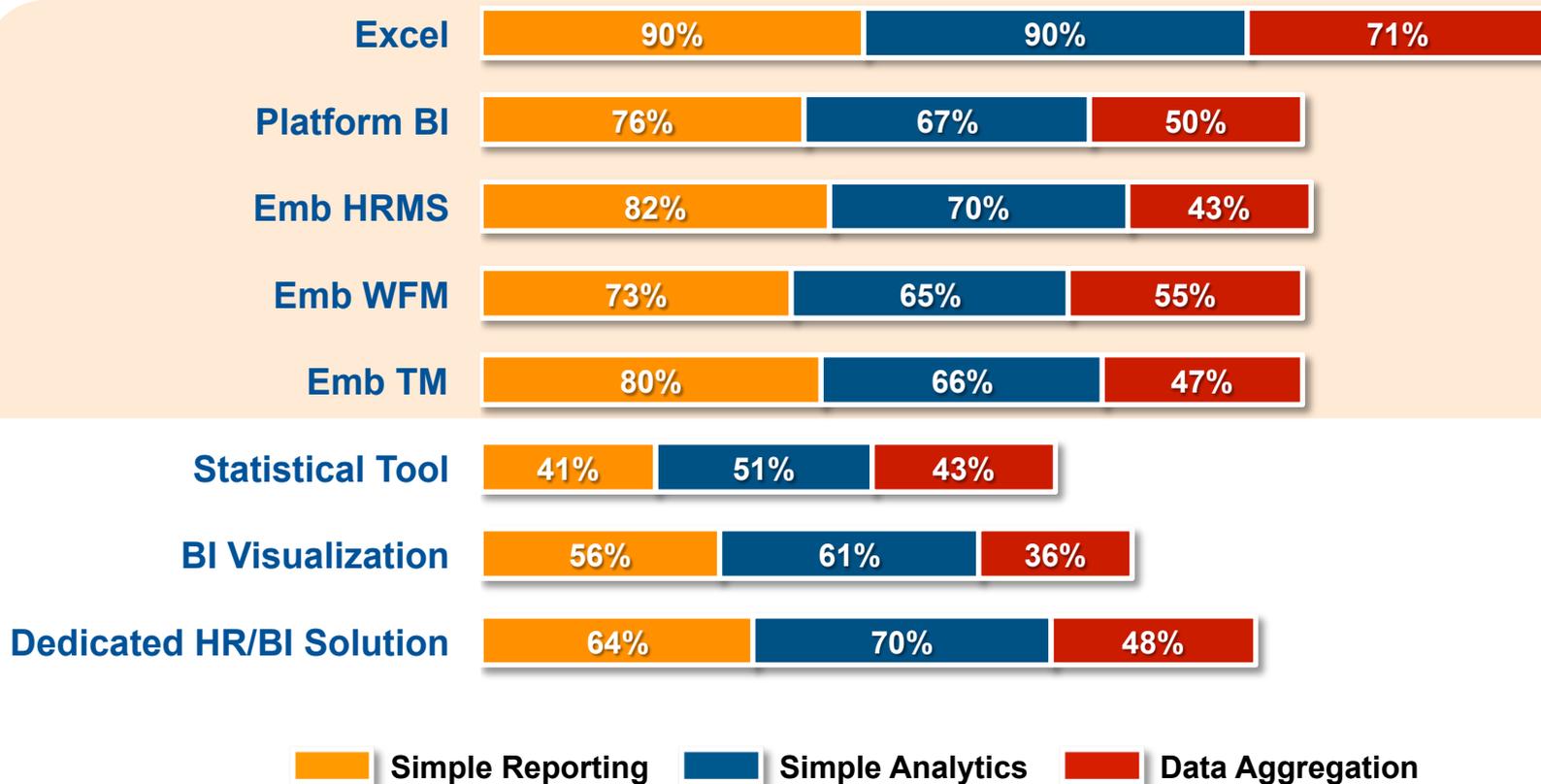
If they have BI/HR analytics solution, what is in use?



n = 630

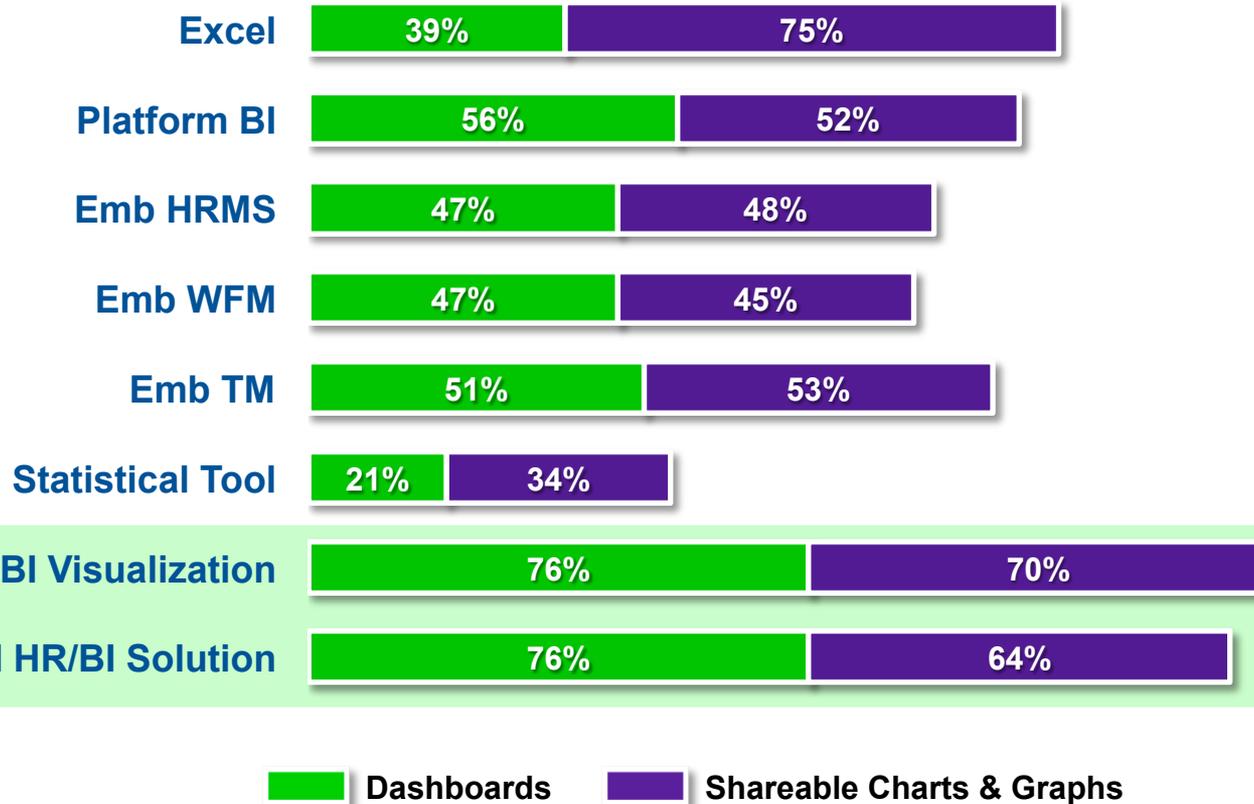
Simple HR Analytics

Excel Continues to Rule, but Platforms and Embedded Solutions Catching Up



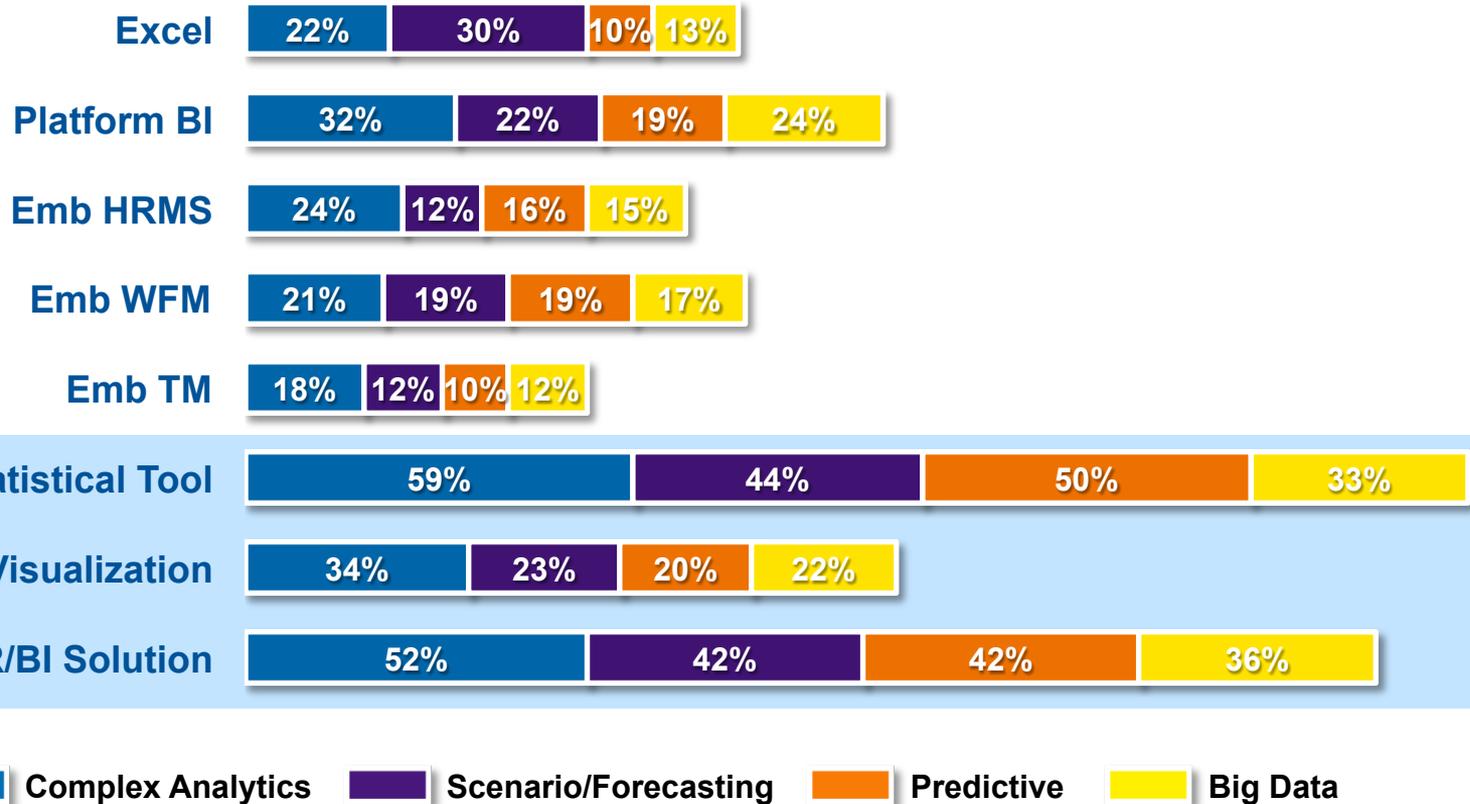
Visualizing and Sharing Data

Dedicated HR/BI Solutions and Visualization Tools Take the Lead

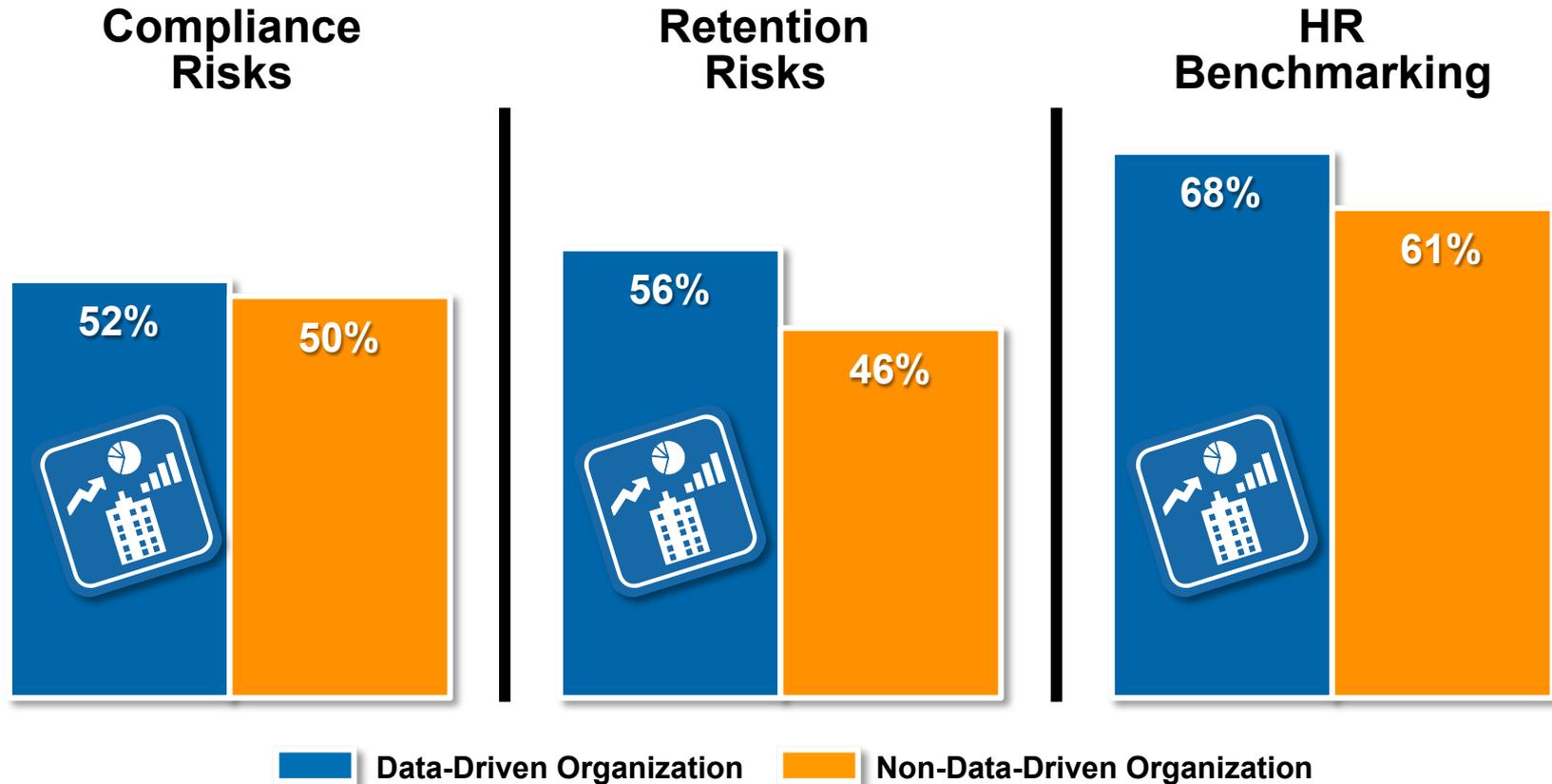


No Standard Tools for Complex BI Needs

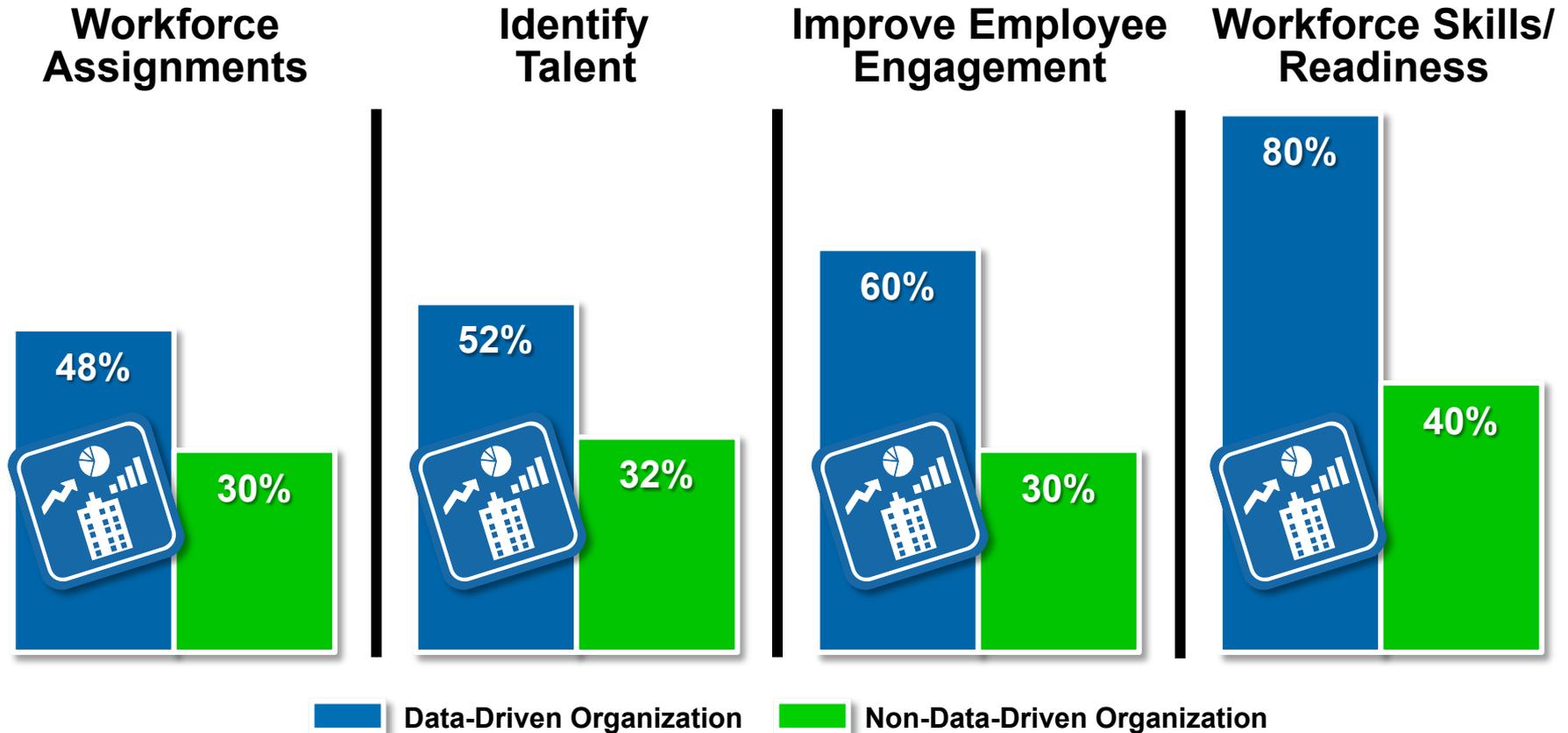
Stand Alone Statistical Tools and HR/BI Solutions Most Likely Used Today



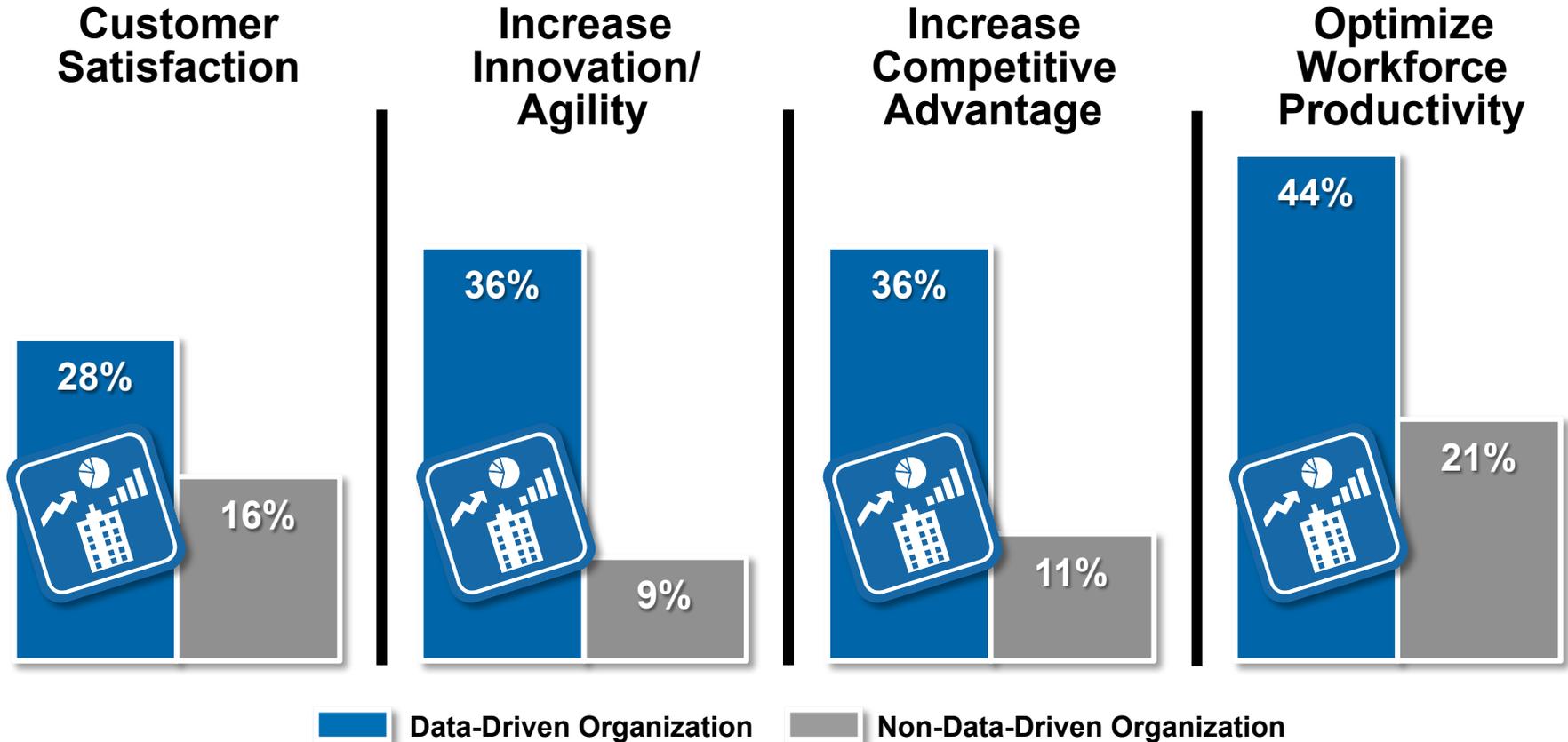
Most Use HR Analytics to Look **BACKWARD**



Some Use HR Analytics to Look **FORWARD**

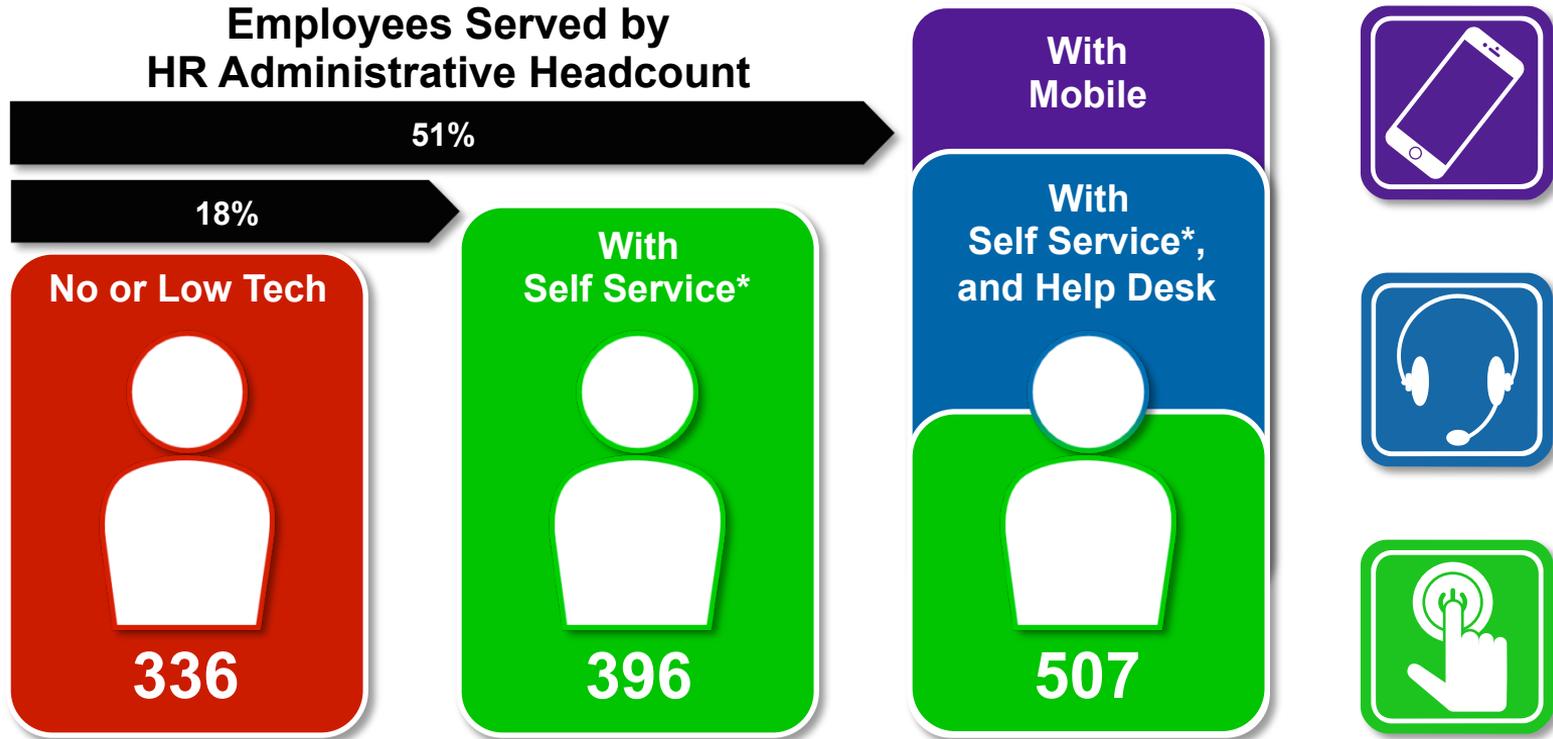


Data-Driven Orgs Also Focus on the **BUSINESS**



Value of Service Delivery Technologies

51% More Employees Served with Mobile + Help Desk Technology



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

Emerging Technologies

Align with your HR Strategies and Desired Business Outcomes

	Workforce Using		
	Today	Evaluating	No Plans
Employee Feedback Applications	65%	11%	24%
Wearable Technology	10%	6%	84%
Rewards & Recognition Applications	25%	15%	60%
Talent Acquisition Tools	42%	29%	29%



Talent-Driven Organizations
Use all of these Extensively

Going Beyond the Data, Future Walking



Unique services will be the differentiators of tomorrow's HR Technology



Platform as a Service (PaaS) will re-open the world of customization, and harness the power of Savvy System Integrators



**Contingent Workforce Management will change the concept of Talent
Mobile and Wearables are a stepping stone to Internet of Things (IoT)**



Data Privacy Movements will become the biggest challenge to creating Individual User Experiences

Wrapping Up: Take Aways



Enterprise HR Systems Strategy, You Need One



Multiple Pathways to the Modern HR Tech Environment, but Payroll and Workforce Management Solutions need addressed to reach an Enterprise HR Cloud

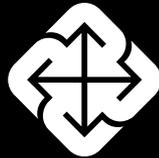


Vendors and Buyers Need to Build Stronger Relationships in this new HR Future.



Emerging Technology is about Achieving Outcomes

Thank you!



Sierra-Cedar
2015–2016 HR Systems Survey
18th Annual Edition



THANK YOU!

Visit Sierra-Cedar Website

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

HR Systems Survey

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HR Systems Survey

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2015-2016 HR Systems Survey White Paper
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Published since 1997, the *Sierra-Cedar HR Systems Survey* is the longest running, most widely distributed, and most highly participative research effort in the HR industry, annually tracking the adoption, deployment approaches, and organizations navigate and decisions they make. 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 here.](#)

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