Sierra-Cedar

IHRIM Atlanta, KeyNote Presentation

Sierra-Cedar 2015-2016 HR Systems Survey

March 10th, 2016

Stacey Harris

Vice President Research and Analytics

Passions:

Background:

- Oversee the Annual HR Systems Survey and its safekeeping for the Industry
- HR and OE Practitioner for over 10 years in **finance, retail, and franchised businesses.**
- Director of Research at Bersin & Associates, Launched the HR research practice
- VP of Research for Brandon Hall Group
- **Major Research and Papers:** *The High Impact HR Organization*, *The HR Framework*, *Employee Engagement: A Changing Marketplace*, and *Relationship Centered Learning*
- Feel free to connect at: www.linkedin.com/in/staceyharris/
- @StaceyHarrisHR

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

2014 **merger of**

4 **companies with**

decades of experience

900+

Employees

5

Industry Focus

Commercial
Healthcare
Higher Education
Public Sector
Justice & Public Safety

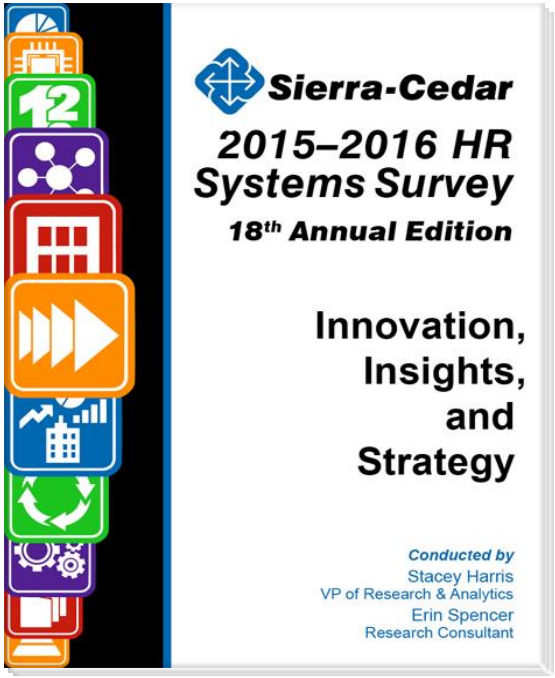
*Delivering **industry-focused client success** by providing consulting, technical, and managed services for the deployment, management and optimization of next-generation applications and technology.*

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

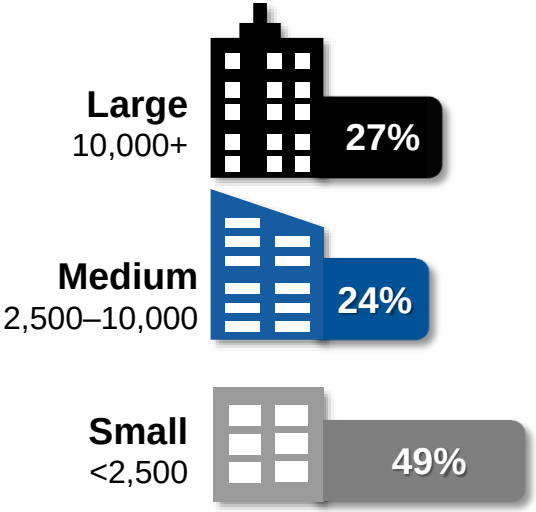
Download the 18th Annual White Paper

Sierra-Cedar 2015–2016 HR Systems Survey

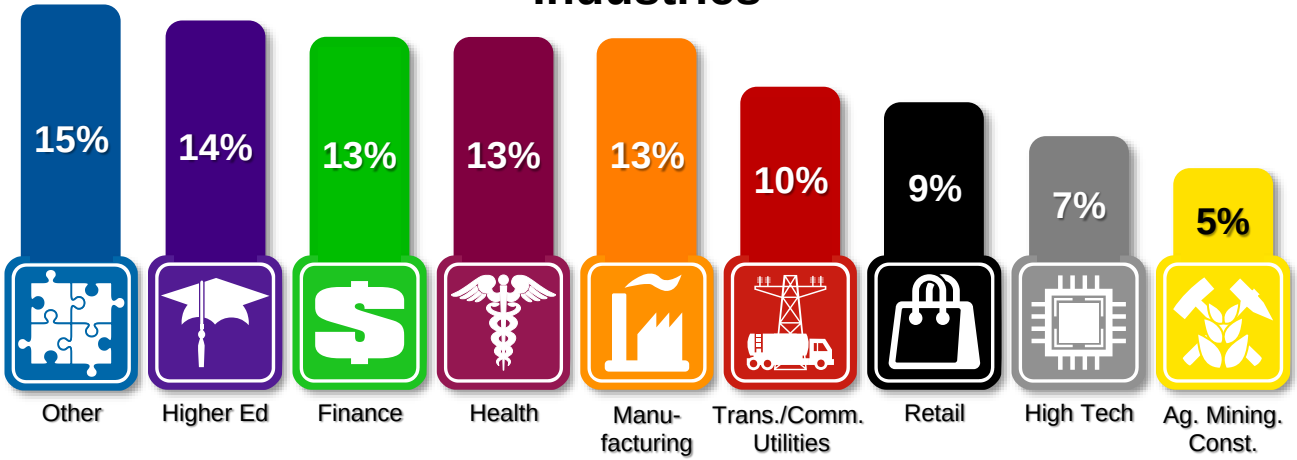
Demographics: All Respondents

1,204
Organizations

21 Million Employees/Contingents



Industries



Big Trends for 2016 & 2017 in HR Technology

Focus on Enterprise HR Technology Strategies

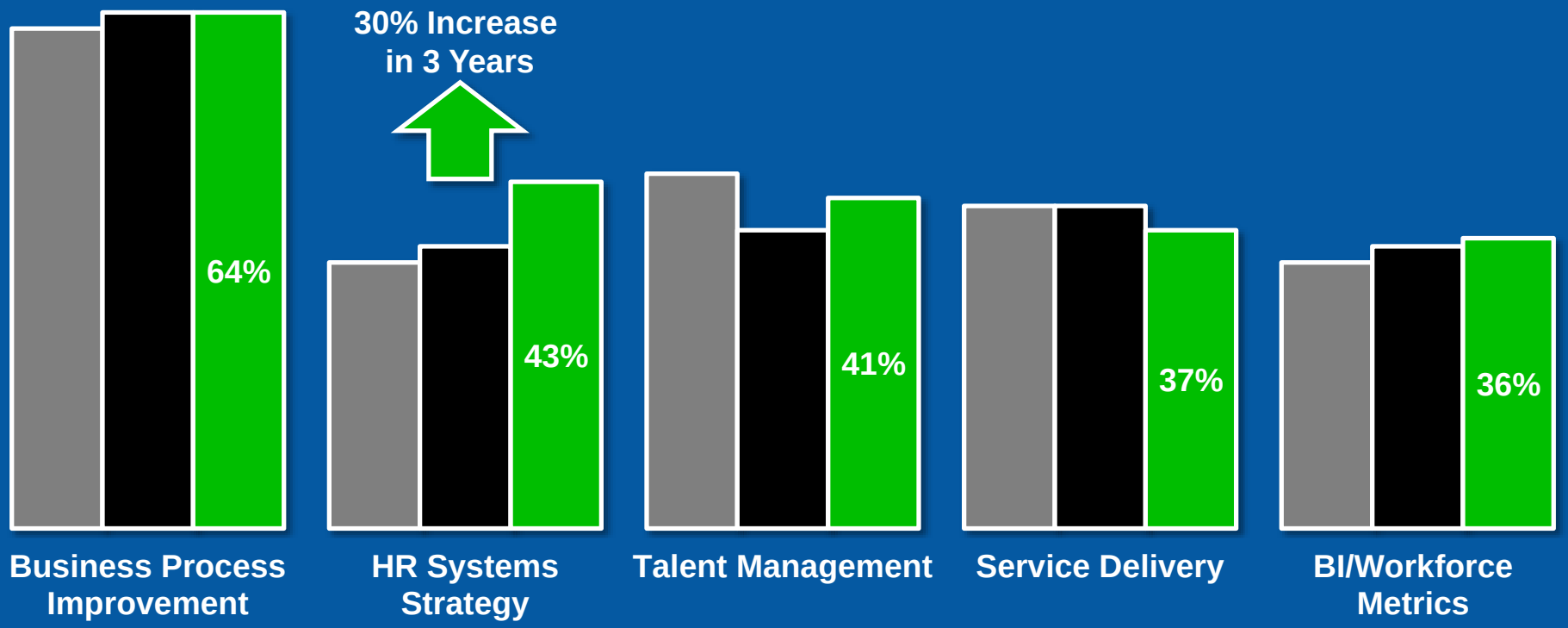
Reassess fundamental HR technologies and their supporting ecosystems (compliance & regulations)

Increased focus on employee/workforce experience

HR Technology adoption based on achieving outcomes

Top 5 HR Technology Initiatives

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



n=1,102

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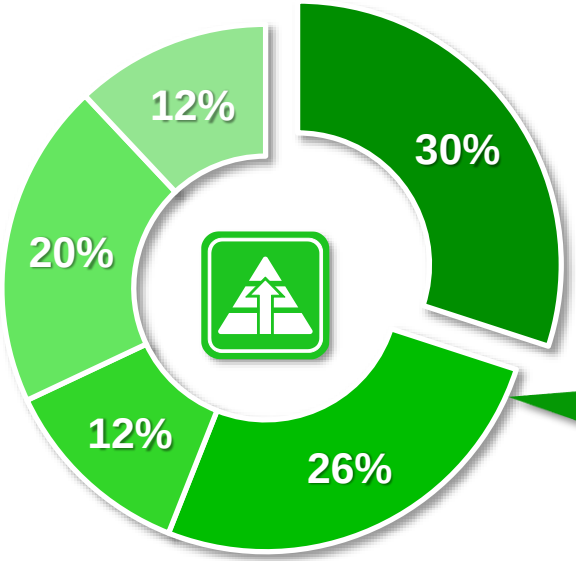
The Year of the Enterprise HR Systems Strategy

Percentage of Organizations With a Current Enterprise HR Systems Strategy



- Regularly updated strategy
- In development strategy
- Rarely updated strategy
- No strategy
- Not aware

60%

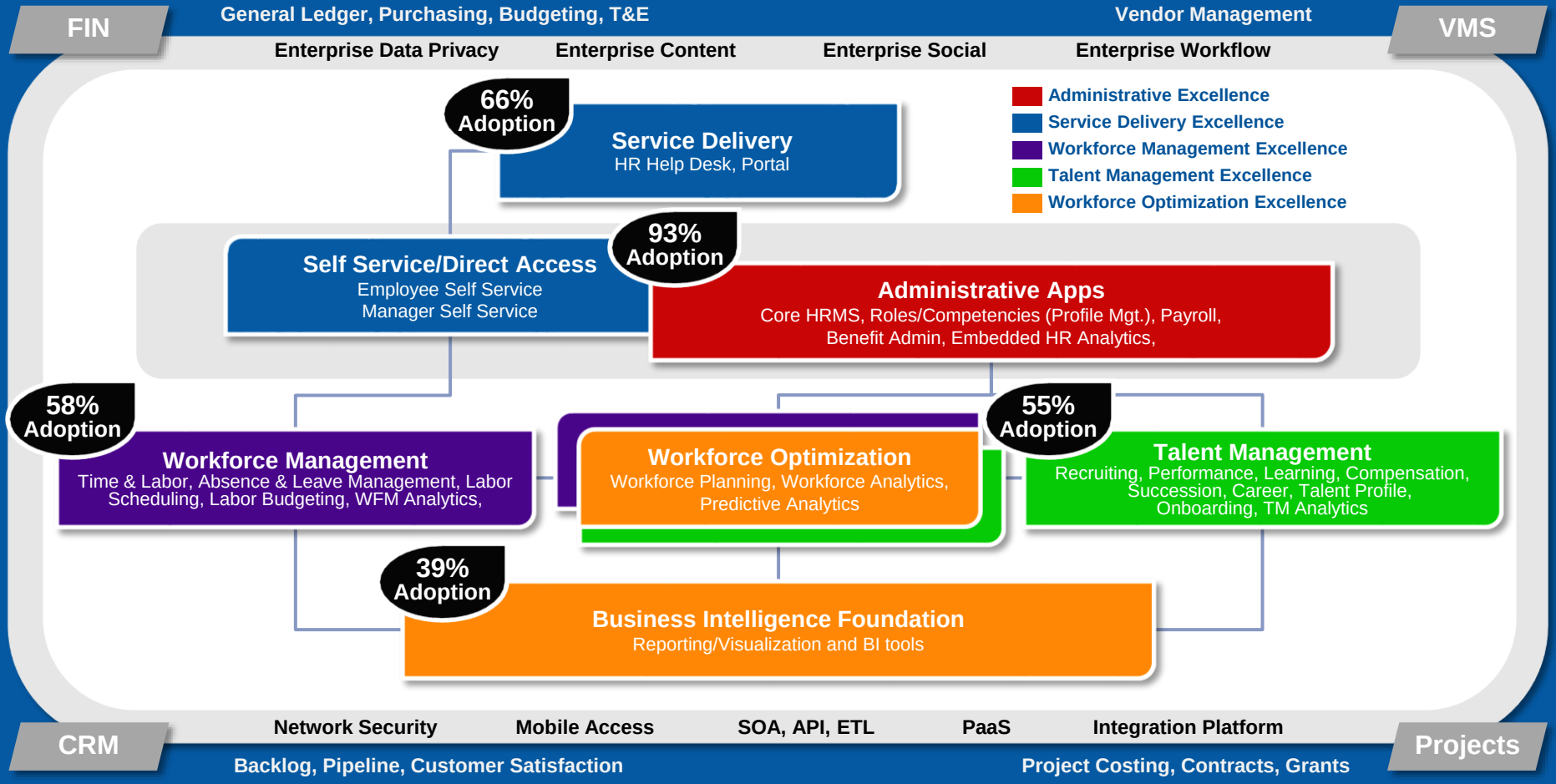
of Top Performing Organizations have an Initiative to create or improve their Enterprise HR System Strategies

Creating Your HR Systems Strategy

1. **Benchmark –** Current State & Benchmark of HR Technology Environment
2. **Blueprint –** Enterprise Business Goals & HR Strategies, Enterprise System Strategies
3. **Roadmap –** Action Plan, Communication, Measures and KPIs
4. **Governance –** Decision Making, Maintenance, Change Management
5. **Budgets & Resources –** Required, Contingency plans, Outsourcing

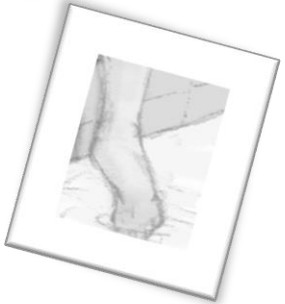
Diagnosis – Guiding Policy – Coherent Action

Sierra-Cedar HCM Application Blueprint



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%

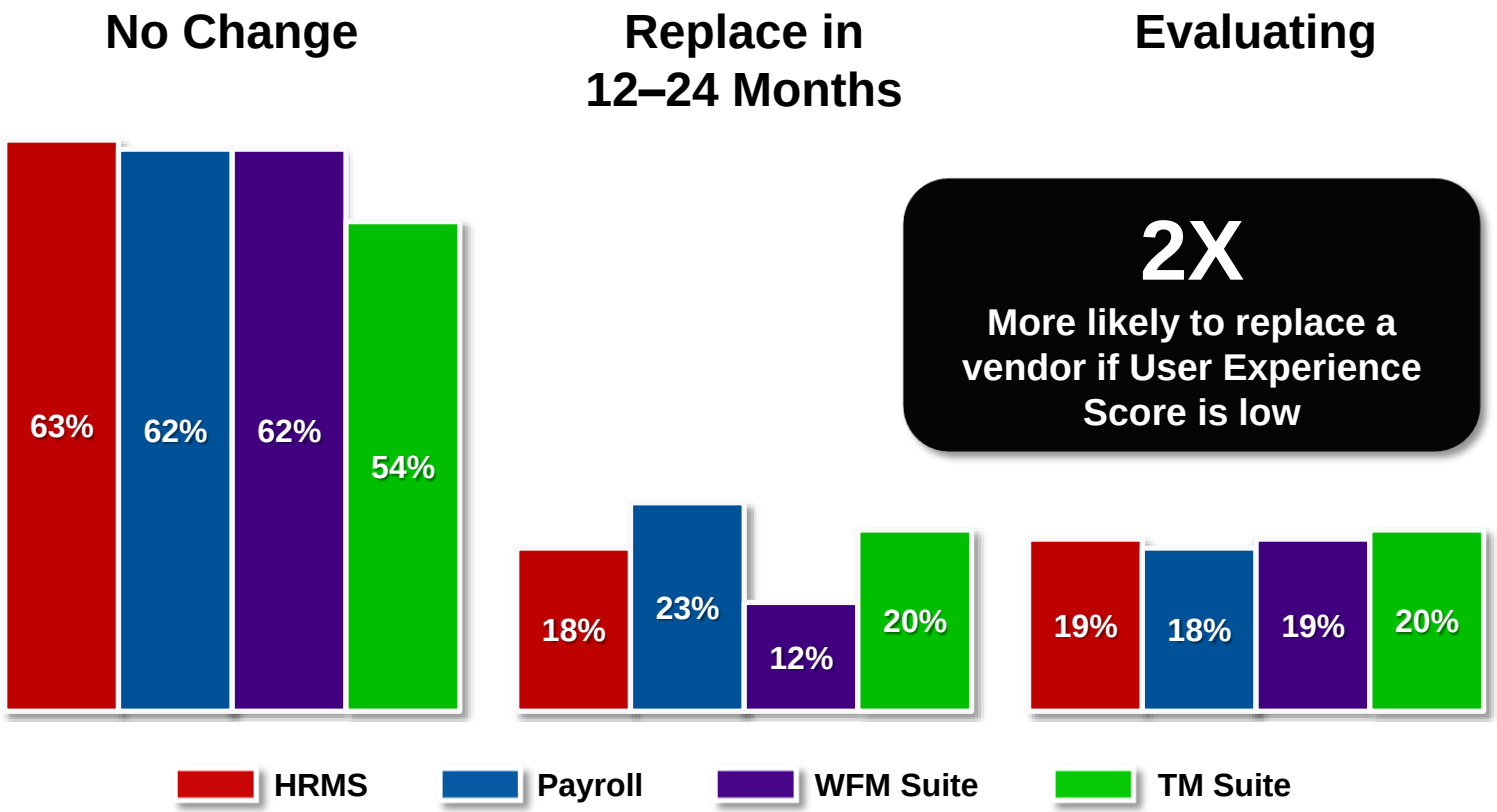
Hosting/Outsource
Single Tenant Hosting or BPO
15%

Focused — Reactive

High Risk — Low Risk

Plans For Replacing HR Technologies

40% of Organizations are planning to replace or evaluating options

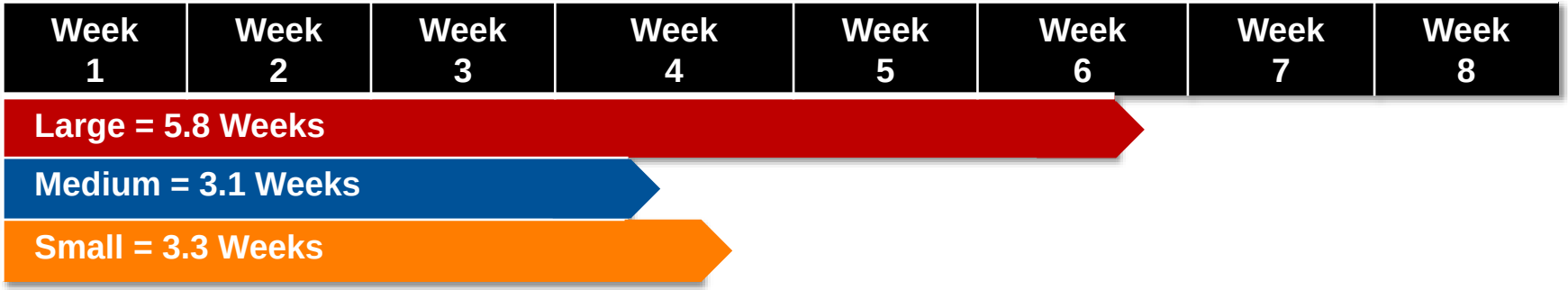


2X

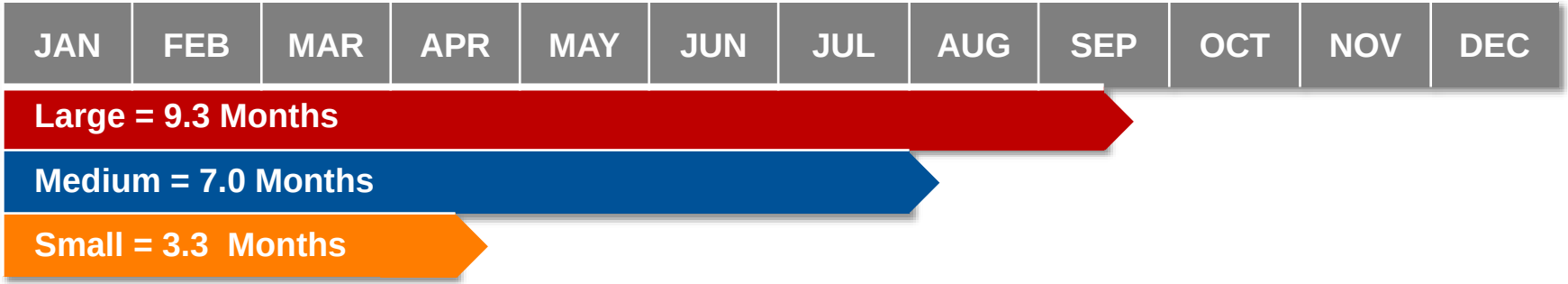
More likely to replace a vendor if User Experience Score is low

Updates and Upgrades

SaaS HRMS Update Average # of Weeks



Licensed HRMS Upgrade Average # of Months



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HR Technology Costs Vary Little by Deployment

	SaaS Average HRMS Tech Costs	Licensed Average HRMS Tech Costs
Large 10,000+	**$116** **per Employee**	**$114** **per Employee**
Medium 2,500–10,000	**$210** **per Employee**	**$199** **per Employee**
Small <2,500	**$394** **per Employee**	**$444** **per Employee**
	HRMS + 7–8 Other HR Modules **SaaS vendor fees, or BPO fees**	**HRMS + 7–8 Other HR Modules** **License plus maintenance, & annual hosting**

n = 350

Implementation & Support Costs Vary Greatly

	Implementation Costs		Support	Implementation Costs		Support
	SaaS Avg. External 3rd Party	SaaS Avg. External Vendor	SaaS Ongoing Support	Licensed Avg. External 3rd Party	Licensed Avg. External Vendor	Licensed Ongoing Support
Large 10,000+	$16 per Employee	$8 per Employee	$3 per Employee	$37 per Employee	$8 per Employee	$15 per Employee
Medium 2,500–10,000	$23 per Employee	$20 per Employee	$21 per Employee	$79 per Employee	$36 per Employee	$40 per Employee
Small <2,500	$89 per Employee	$30 per Employee	$121 per Employee	$102 per Employee	$64 per Employee	$153 per Employee
	HRMS + 7–8 Other HR Modules			HRMS + 7–8 Other HR Modules		

What Impacts HR Resourcing Decisions

Global Requirements and HR Technology Deployment Decisions

2-4X

Organizations of the same size operating in > 25 countries require 2 to 4 X's more HR resources than peers that operate in < 10 countries

25%

Organizations with Cloud HRMS solutions serve 25% more Employees per HR Administrative role

30%

Organizations of the same size operating in > 25 countries serve 30% fewer employees/per each HR resource than peers that operate in < 10 countries

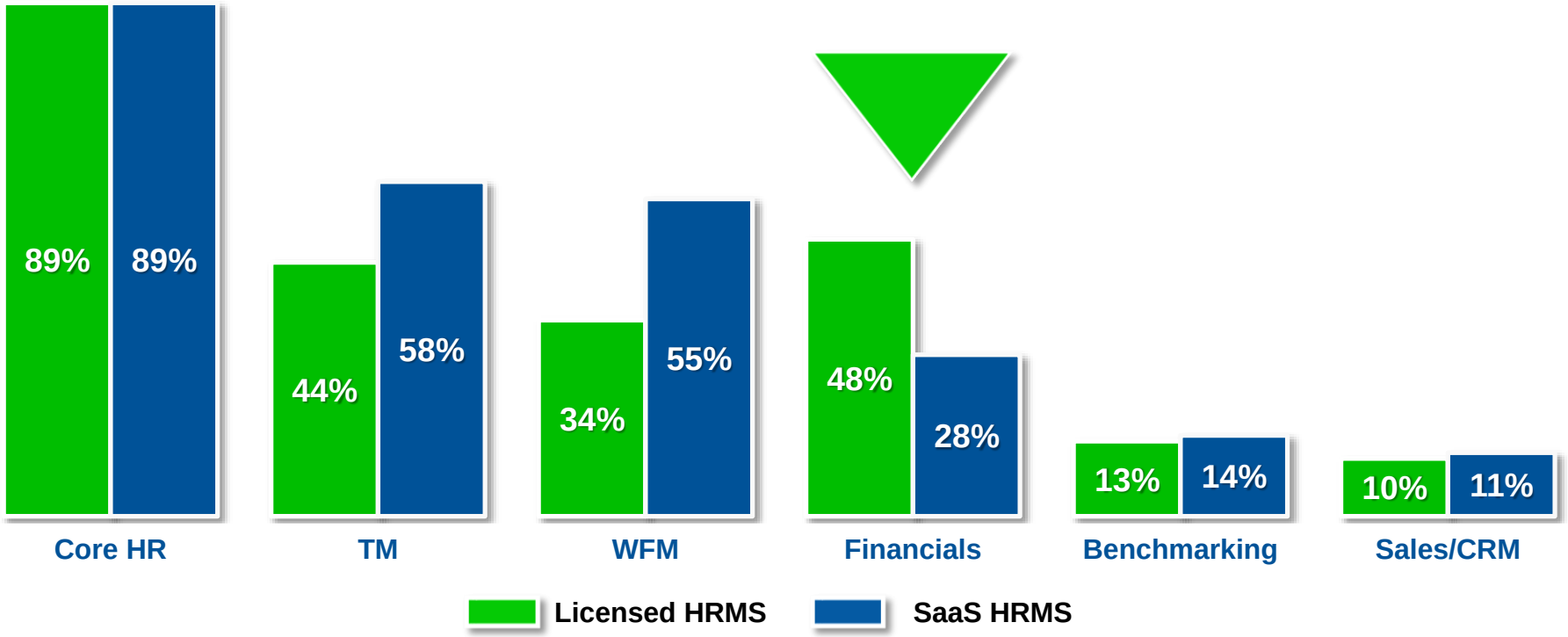
2X's

Organizations with On premise HRMS solutions require 2 X's as many Infrastructure Resources

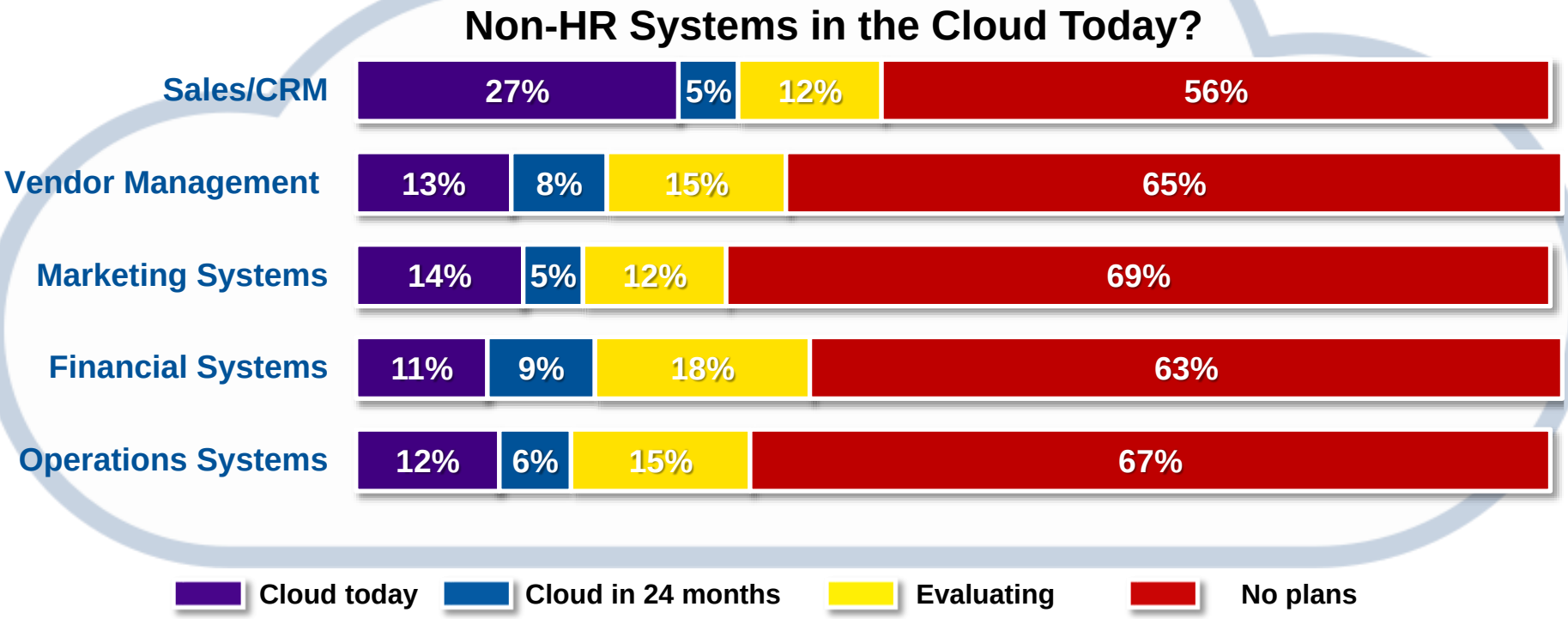
Integrated Data Sources for HR Analytics

Licensed Environments More Likely to Include Financial Data

Which of the following are Integrated for HR Analyses?



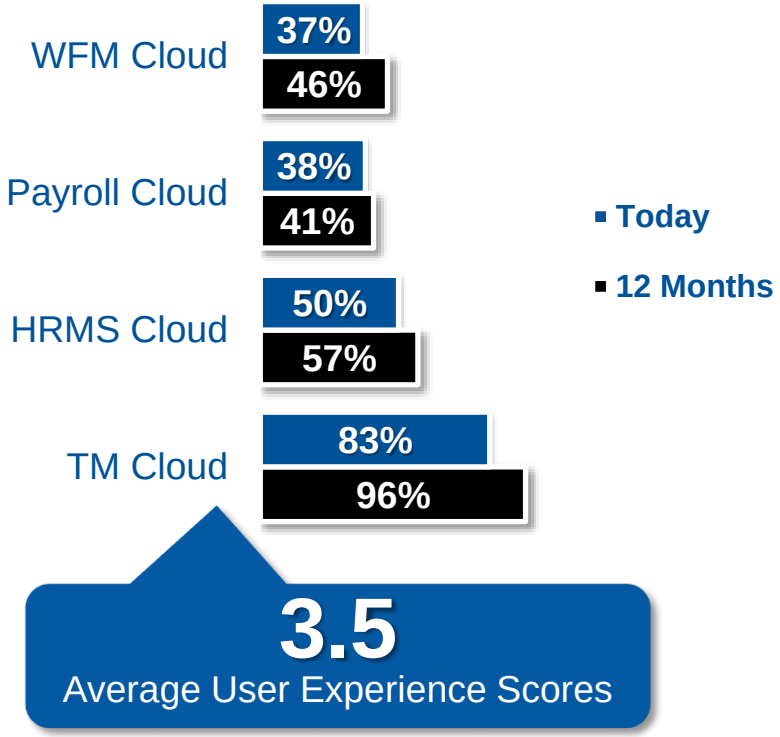
Business Systems: To Cloud or Not to Cloud



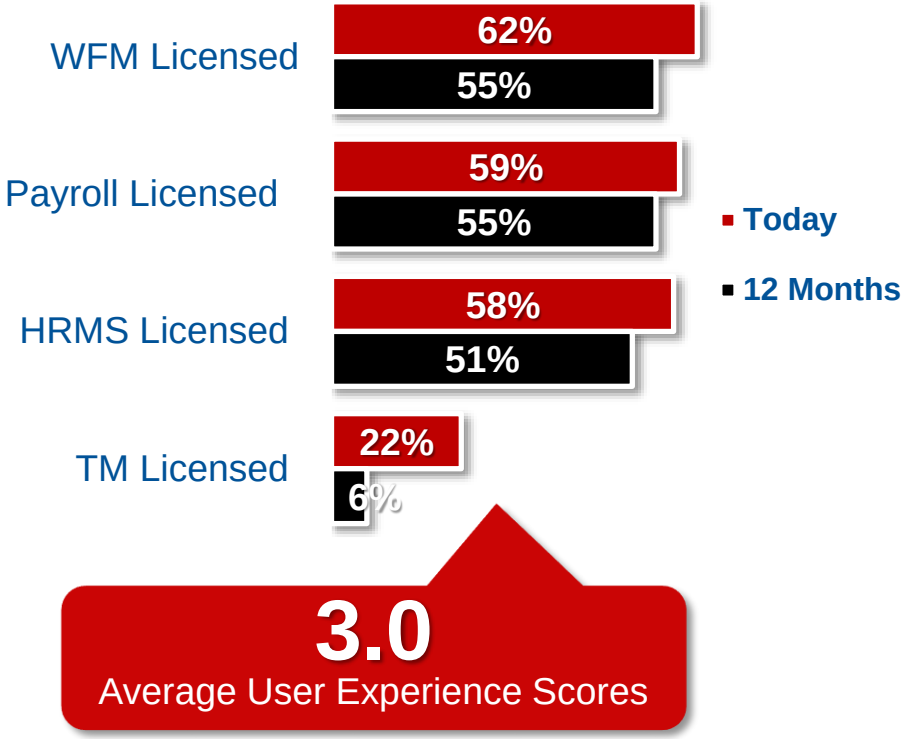
The Enterprise HR Cloud Conversation

Movement to the Cloud is about transforming the User Experience

SaaS/Cloud Deployments



On Premise Deployments



n = 900

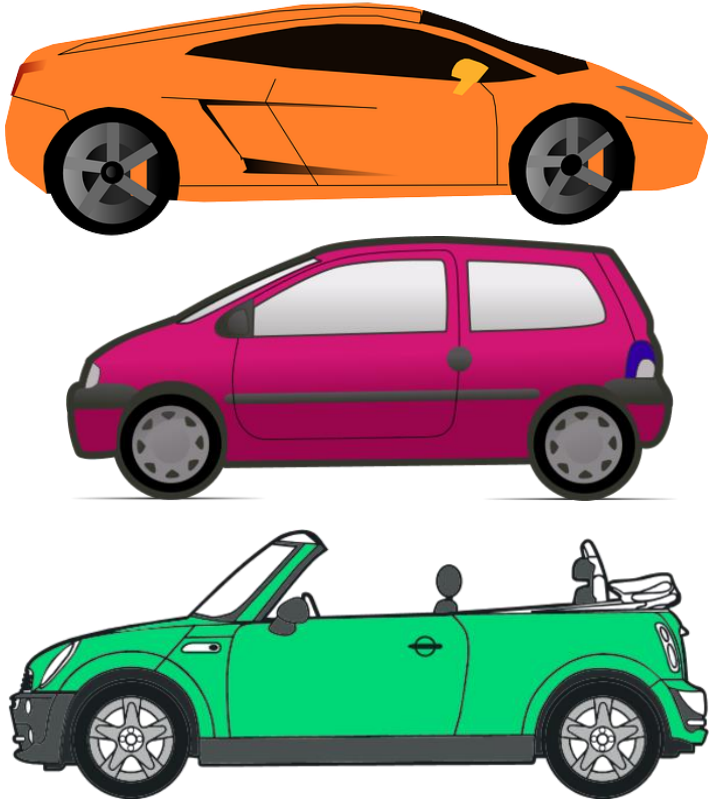
Note these include combination and hosted environments

Checklist To High User Experience Scores

Order of Impact!

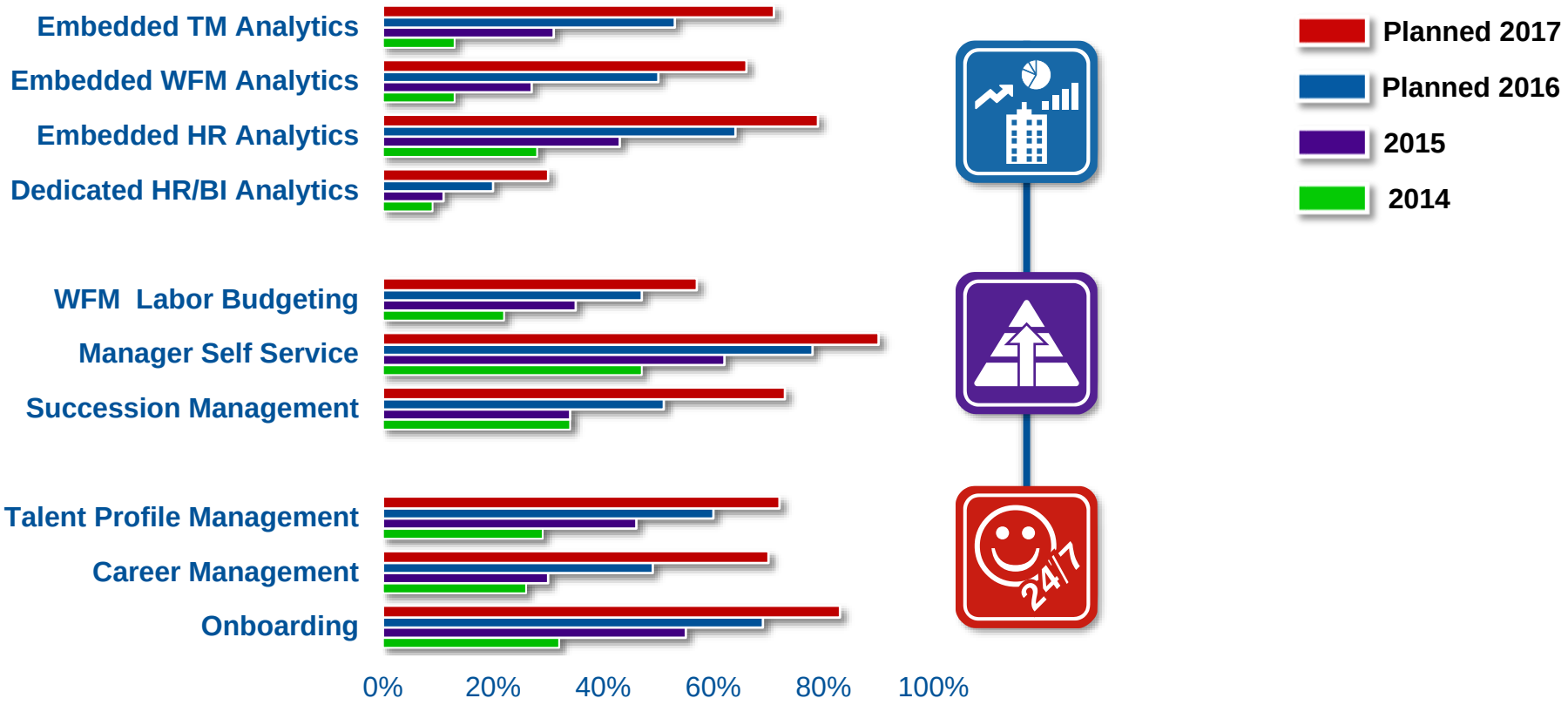
- Mobile Access Admin Applications
- Enterprise Integration Strategy
- HRMS and Talent Management = Same Solution
- Central Shared Services Model
- Stay Current on Licensed Software
- Customize Less
- Actually Roll out: Employee and Manager Self Service
- Get your own Processes in Order

Driving Modern HR Technology



HR System Adoption Trends

Top 10 HR Applications by Adoption Growth Trends



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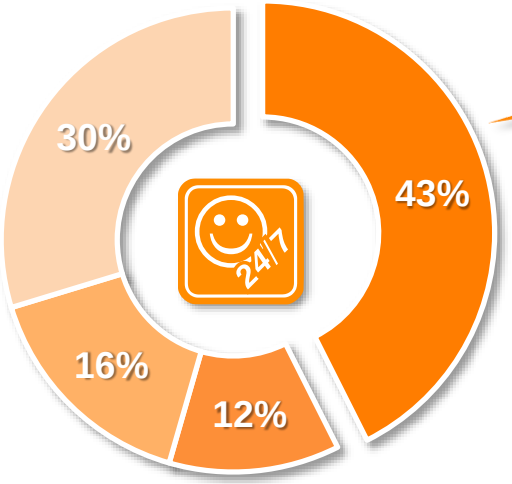
Shared Services = Efficient HR Environments

Enterprise Wide Shared Services are the Most Common

Shared Service Models



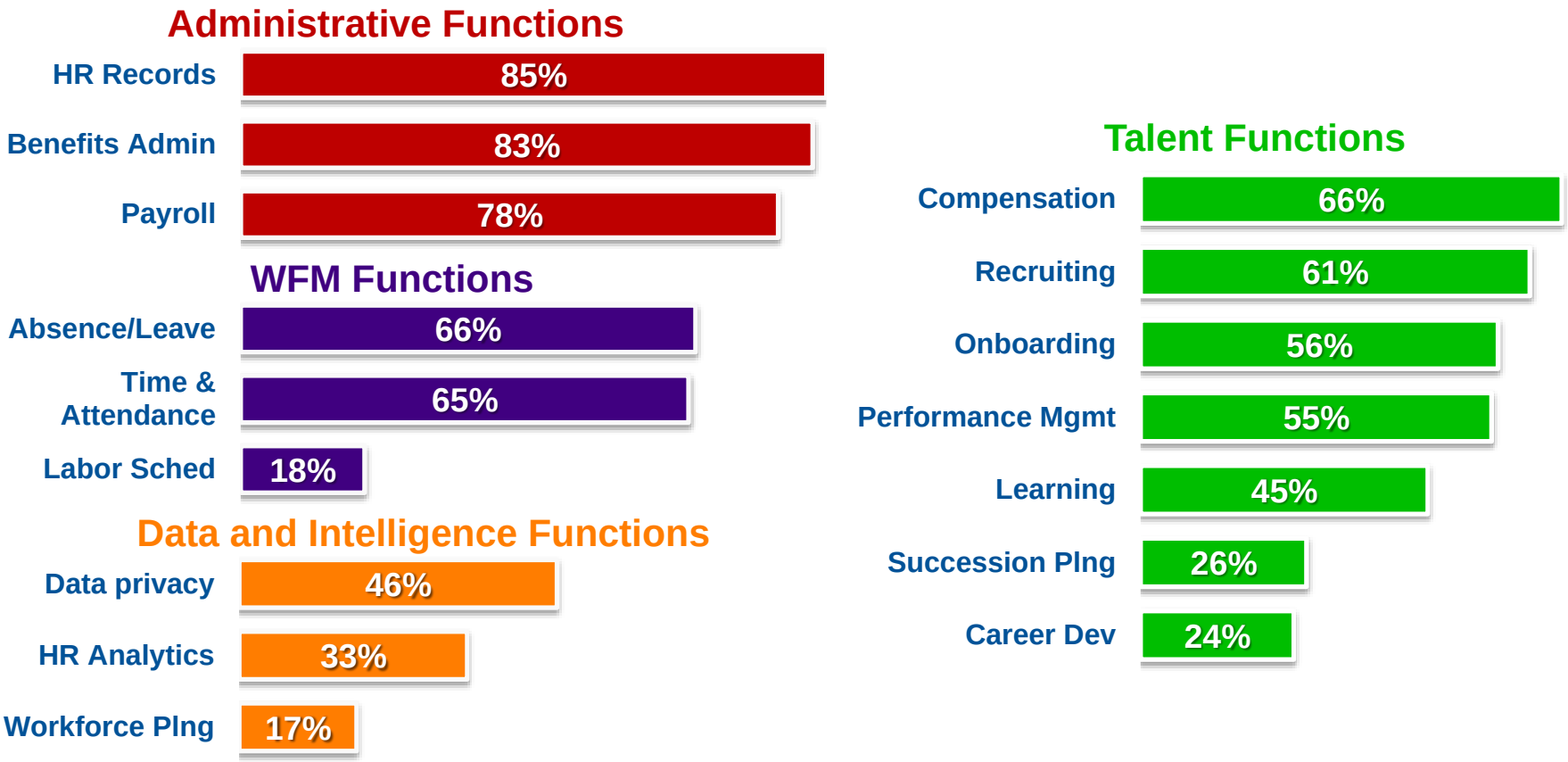
- Enterprise Shared Services
- Central SS w/ Variations
- Regional Shared Services
- No Shared Services

10%

Increase in Organizations with a Shared Service Center

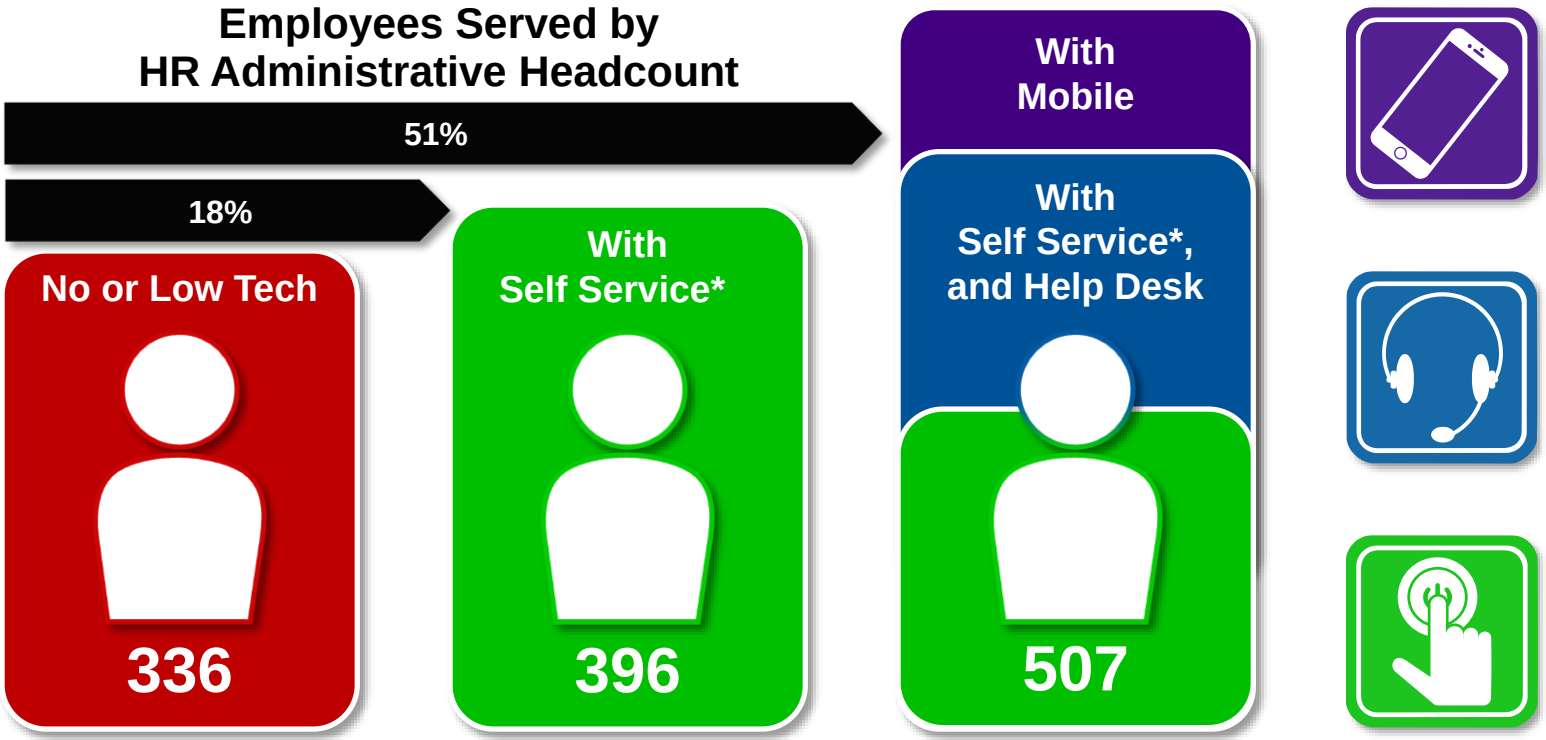
n = 491

Functions Included in HR Shared Services



Value of Service Delivery Technologies

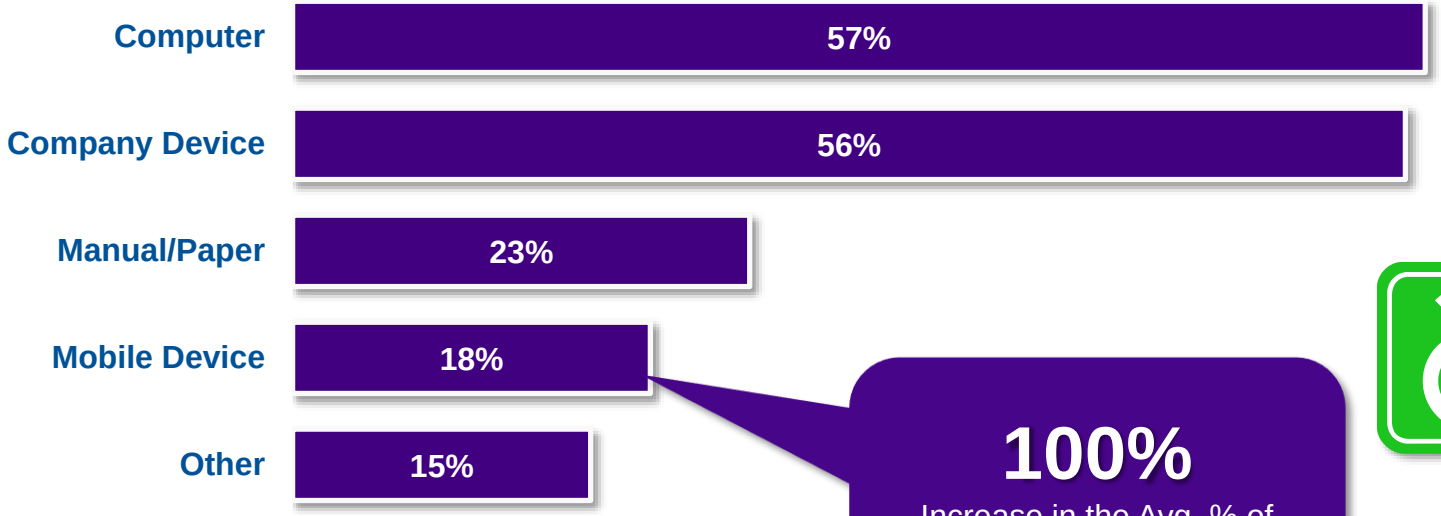
51% More Employees Served with Mobile + Help Desk Technology



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

Workforce Management Goes Mobile & Wearable

% of Your Workforce Uses These Methods for Time Tracking

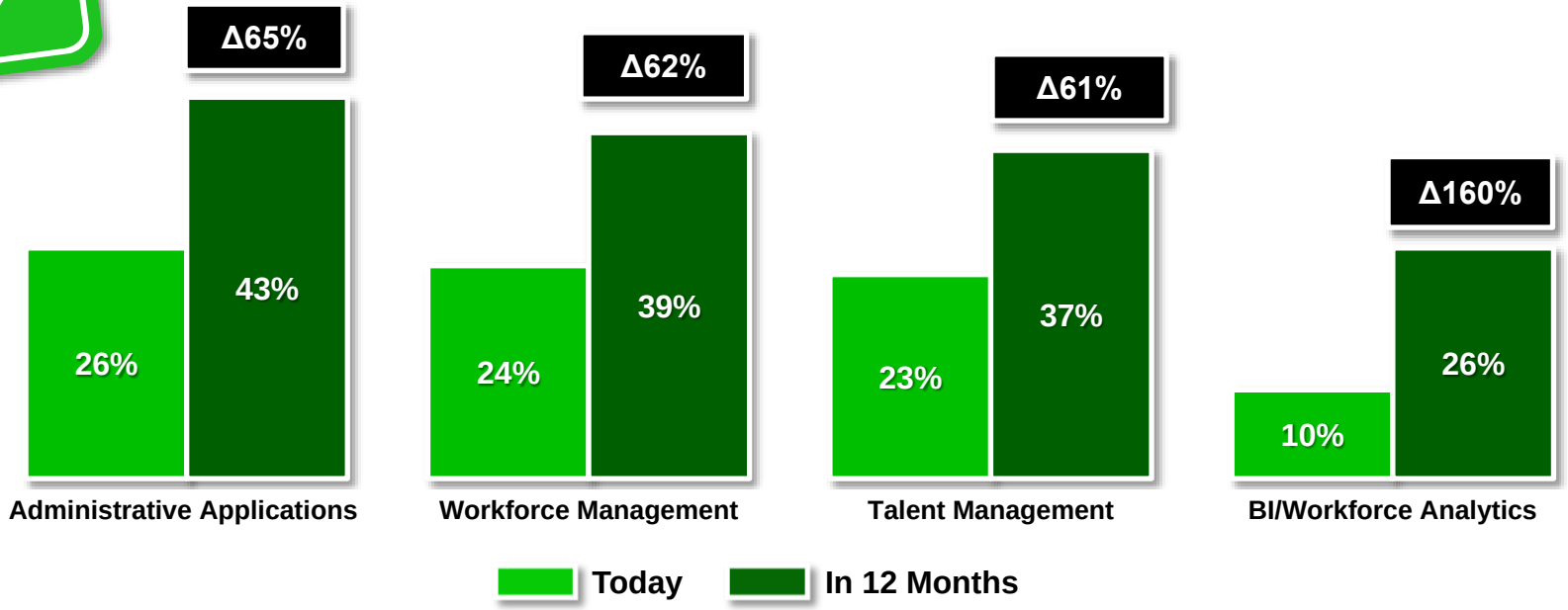


100%

Increase in the Avg. % of Workforce using Mobile Time Tracking from Last Year

Mobile-enabled HR Process Adoption

BI/Analytics and Administration are Critical Areas for Mobile Growth



Emerging Technologies

Align with your HR Strategies and Desired Business Outcomes

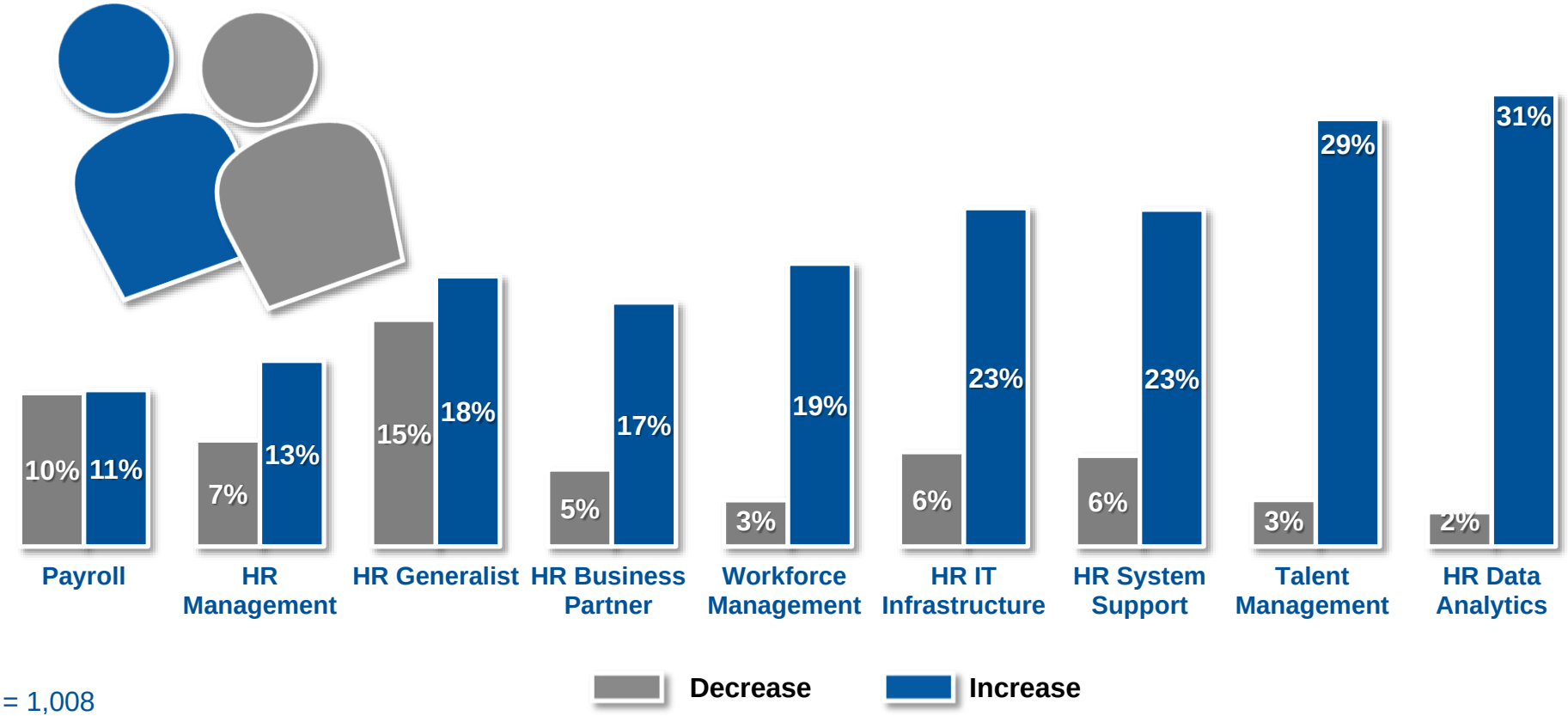
	Workforce Using		
	Today	Evaluating	No Plans
Employee Feedback Applications	65%	11%	24%
Wearable Technology	10%	6%	84%
Rewards & Recognition Applications	25%	15%	60%
Talent Acquisition Tools	42%	29%	29%

Talent-Driven Organizations

Use all of these Extensively

Tomorrow's HR is More Focused and Analytical

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



n = 1,008

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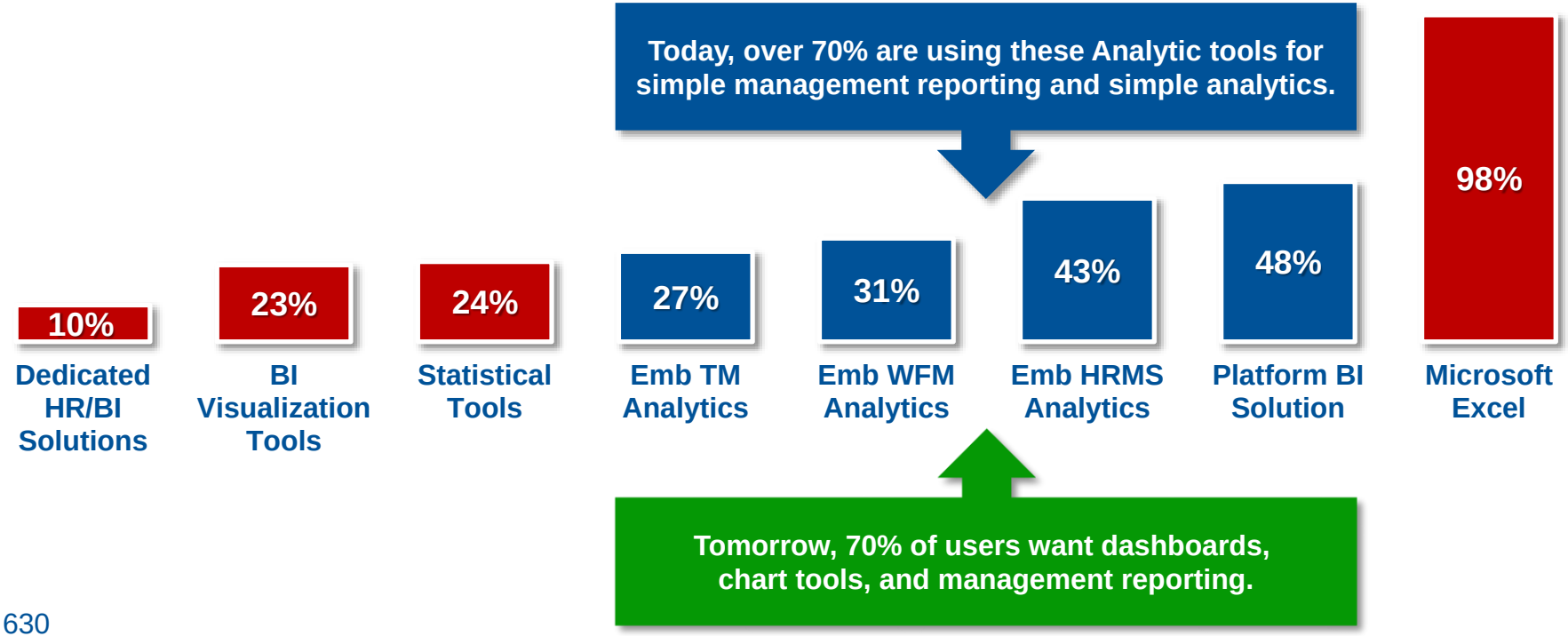
What Is HR Analytics?

Business Intelligence/HR Analytics

Organizations Struggling to Get What They Need from BI Solutions

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



n = 630

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

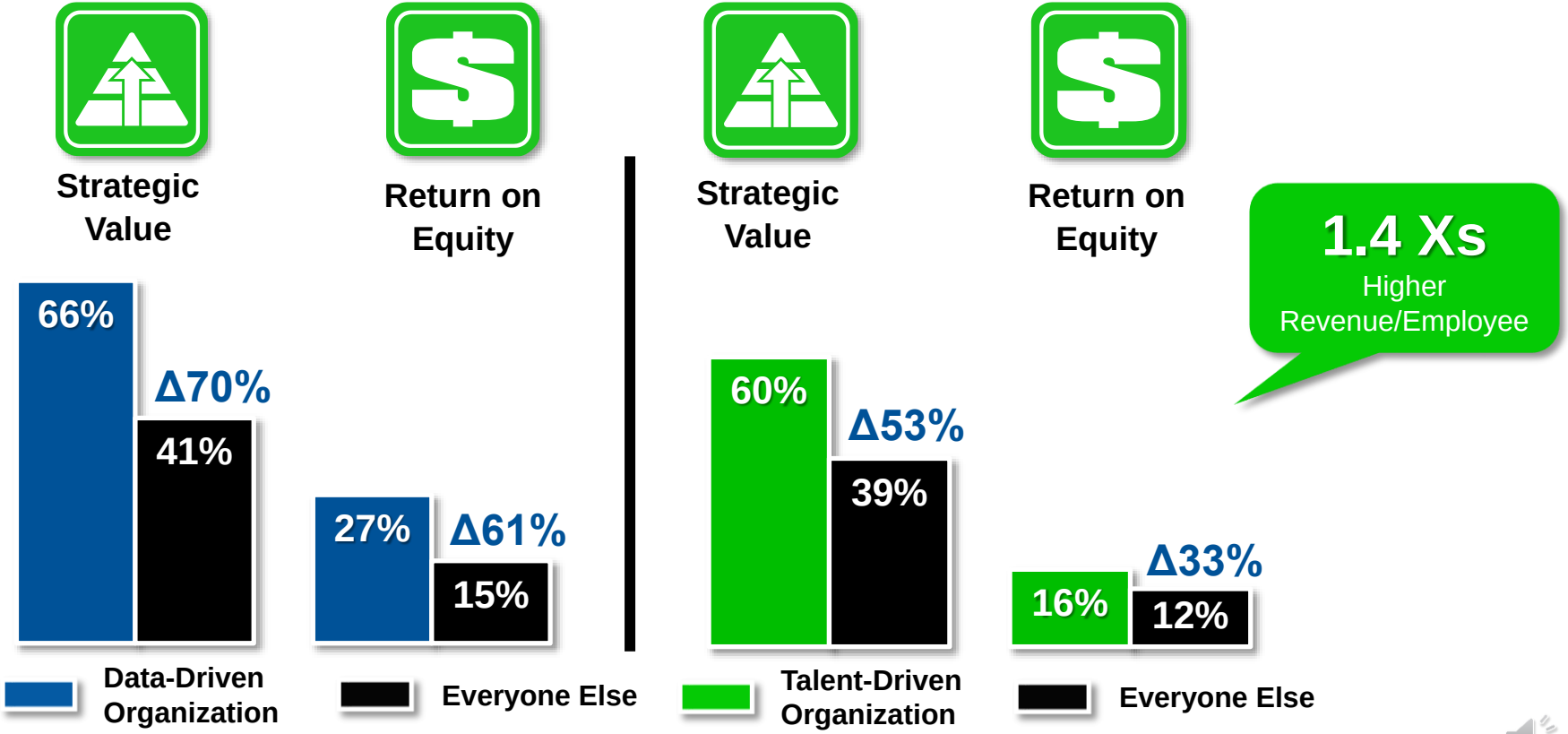
- Mature Career Planning
- Succession Mgmt
- Metric Outcomes
  - Employee engagement
  - Workforce readiness
  - Retention risks
  - Top talent

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



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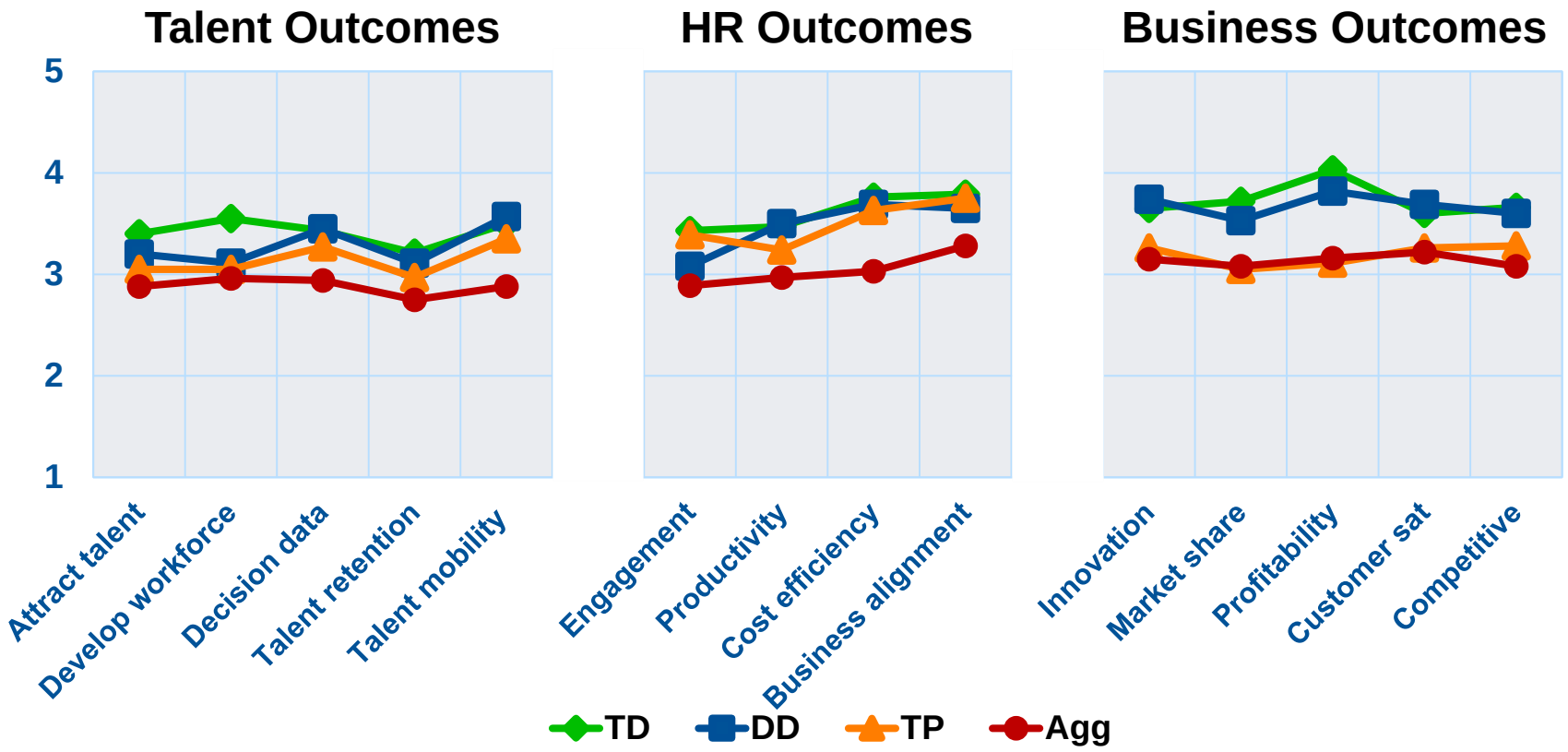
Achieving Outcomes Requires Focus

Talent- and Data-Driven Organizations Achieve Best Outcomes



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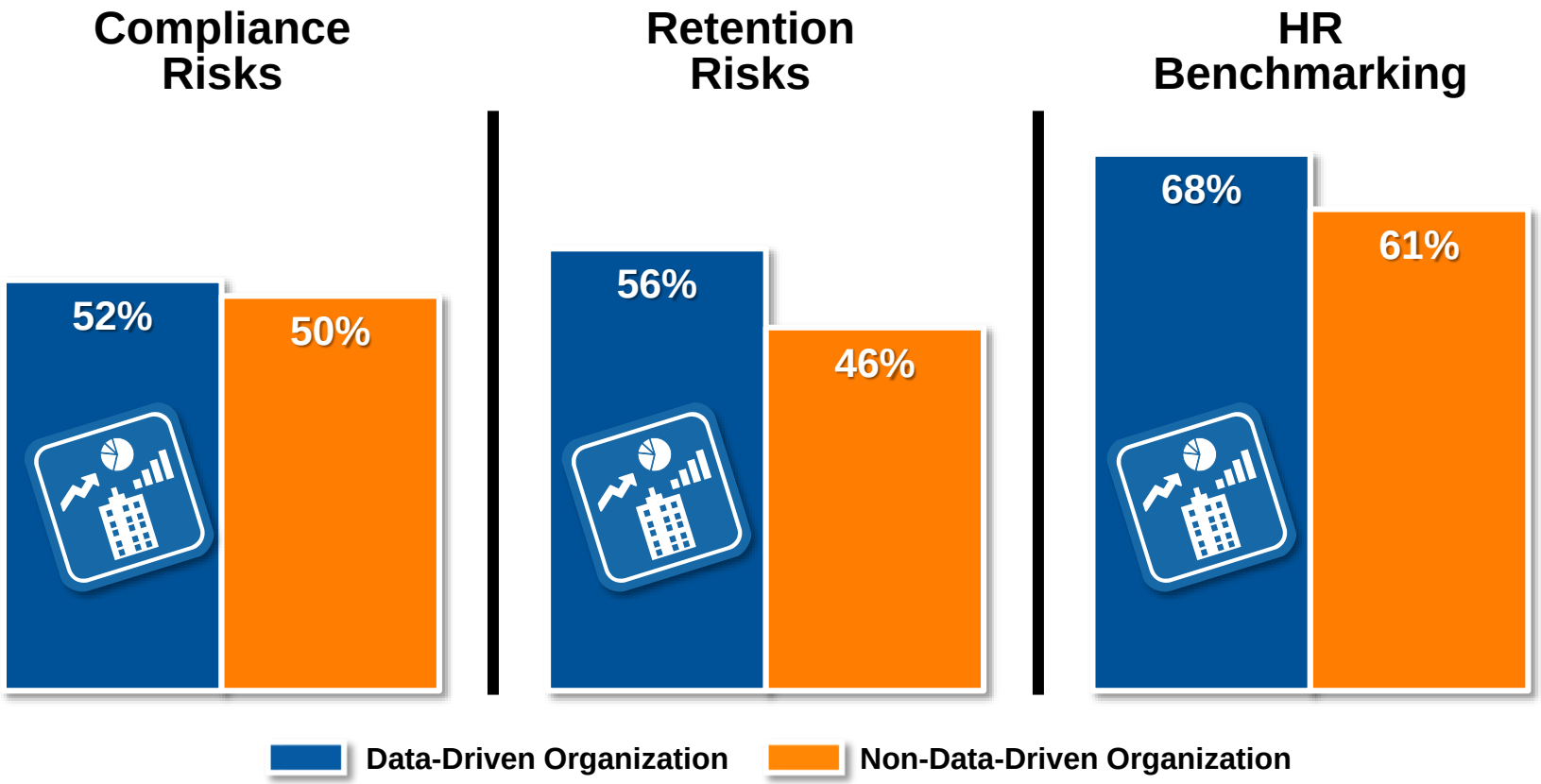
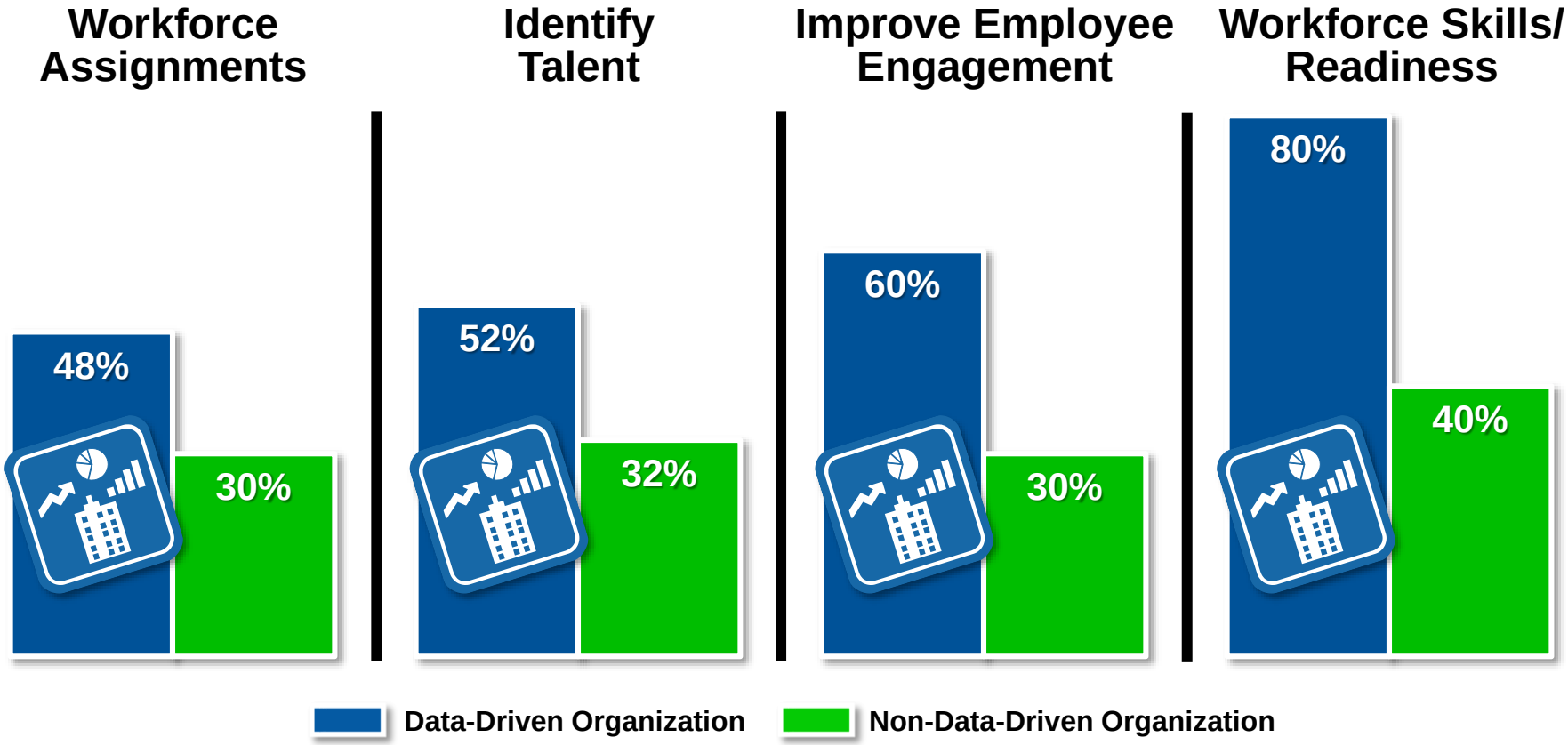
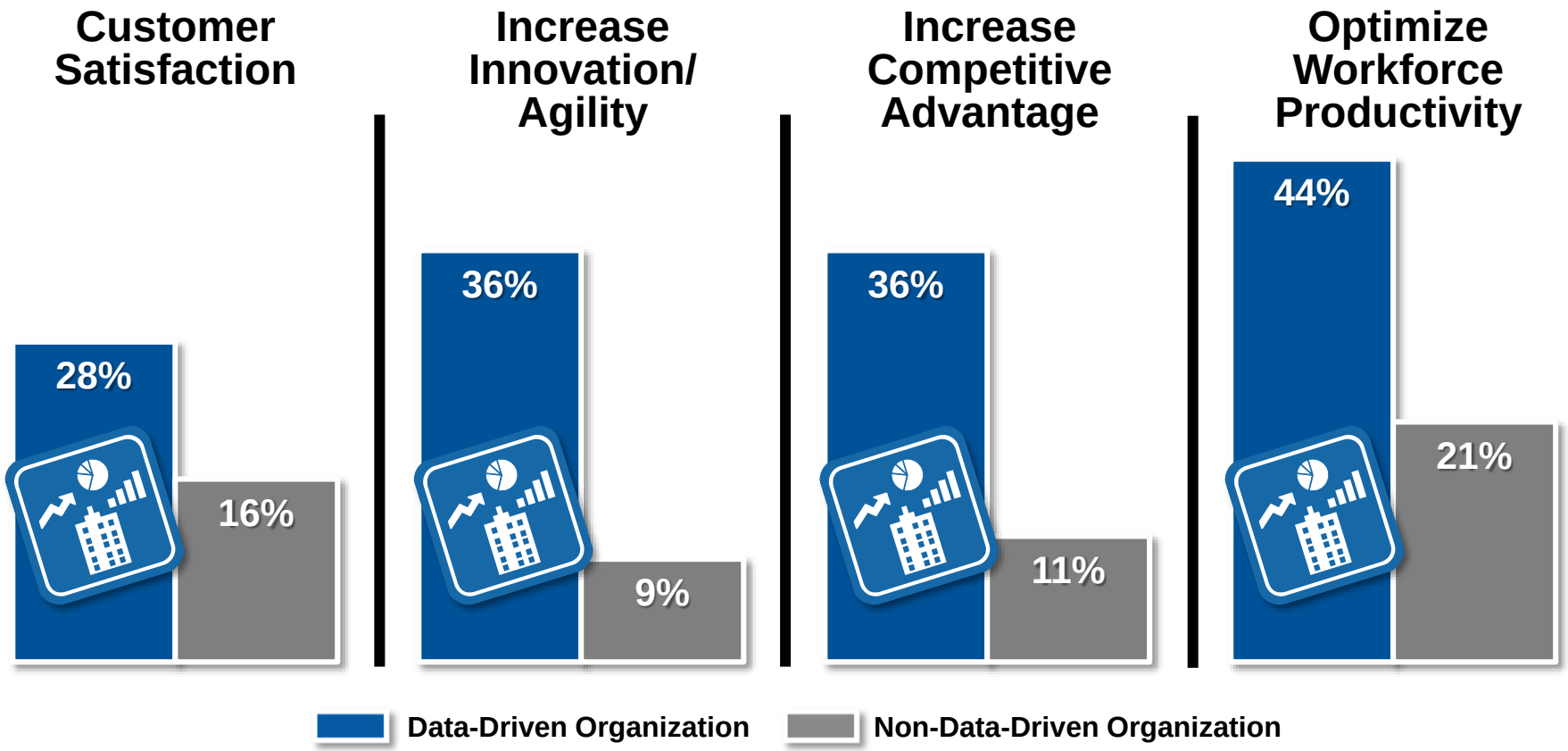
Most Use HR Analytics to Look BACKWARD



Some Use HR Analytics to Look FORWARD



Data-Driven Orgs Also Focus on the BUSINESS



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
- Data Privacy Movements will become the biggest challenge to creating Individual User Experiences
- Mobile and Wearables are a stepping stone to Internet of Things (IoT)

Wrapping Up: Takeaways

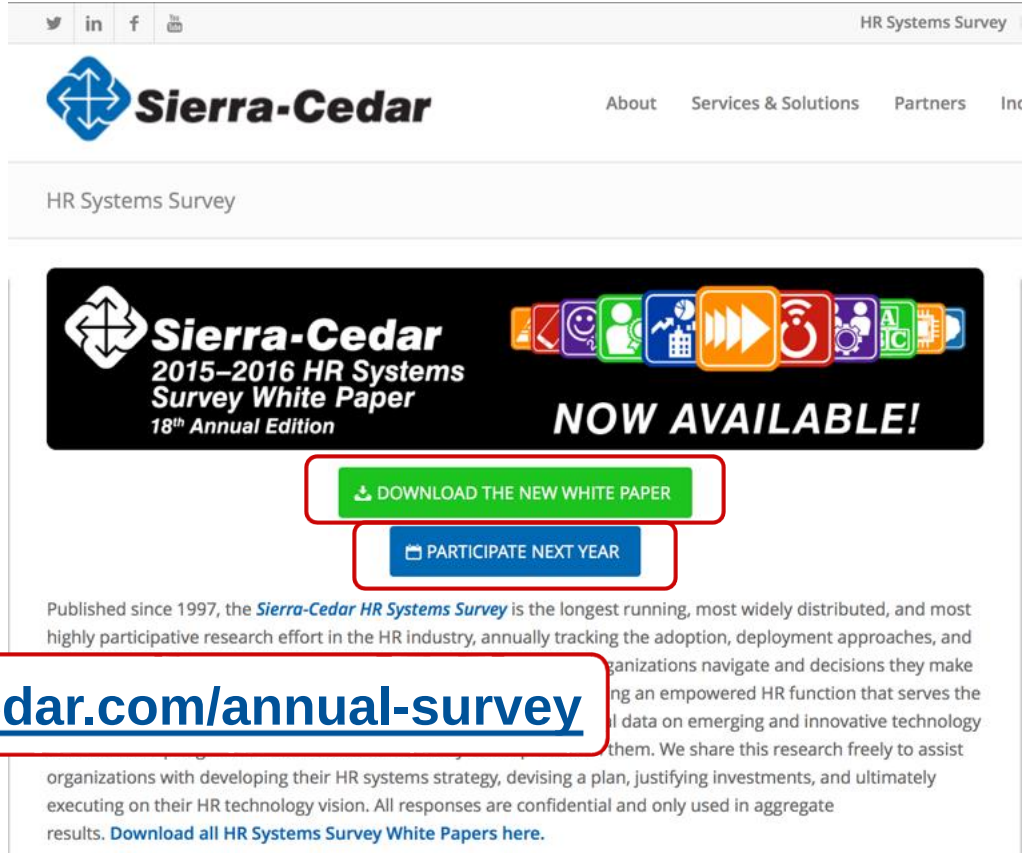
- **Enterprise HR Systems Strategy, You Need One**
- **Multiple Pathways to the Modern HR Tech Environment, but Payroll and Workforce Management Solutions need addressed to reach an Enterprise HR Cloud**
- **Vendors and Buyers Need to Build Stronger Relationships to create better User Experiences**
- **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!

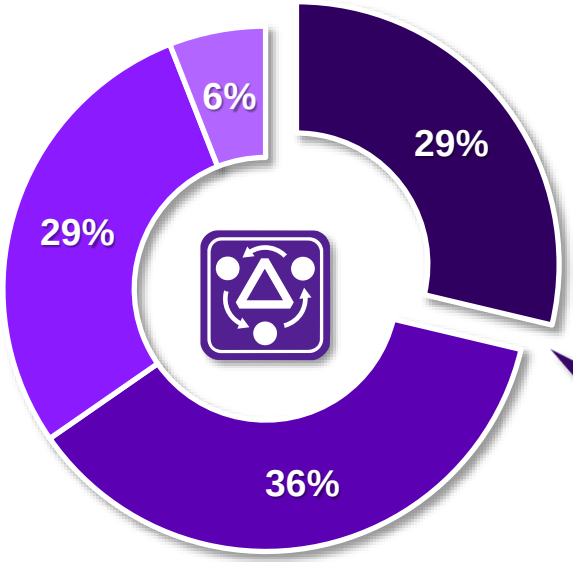


www.Sierra-Cedar.com/annual-survey

Change Management Practices

29% of Respondents Report a Culture of Change Management

Level of Change Management for HR Technology Projects



- Consistent culture of change mangement
- Key projects that meet criteria
- Sporadically, with no criteria
- Never

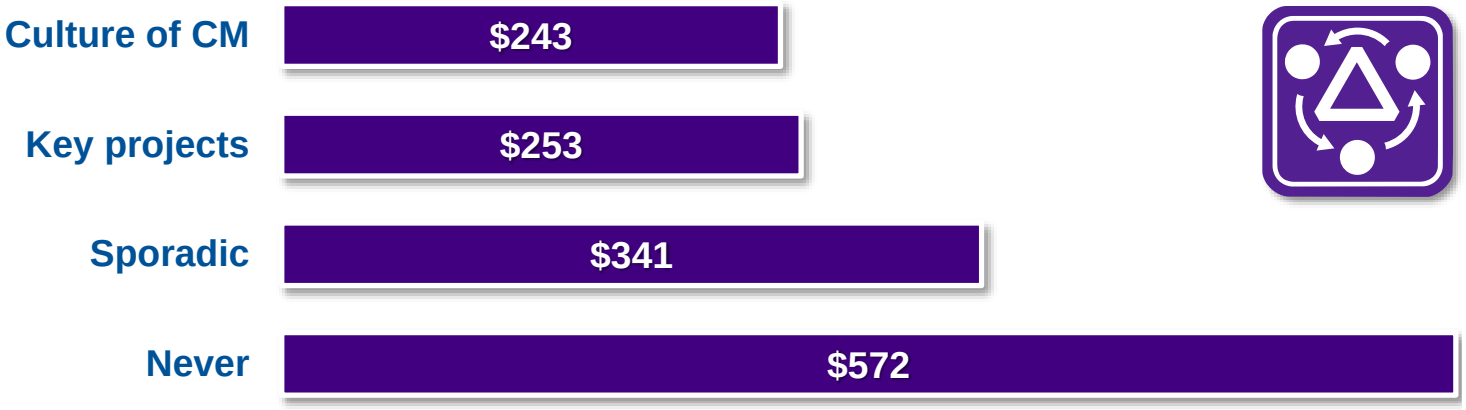
17%

increase in organizations doing any level of Change Management from last year

Benefits of Change Management

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

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.