



# HCM TECHNOLOGY VALUE MATRIX 2016

ANALYST

**Brent Skinner**

## THE BOTTOM LINE

**Vendors of technology for human capital management (HCM) continue to double-down on developing functionality for talent management.** In this way, most Leaders in this year's HCM Value Matrix continue to improve in offering HCM solutions that are legitimately end-to-end, enabling employers to practice HCM as an interconnected discipline. Elsewhere, whether through partnerships or with less advanced technology, several vendors continue to offer the many elements of HCM in less cohesive ways, and Nucleus believes the market for HCM will not be kind to them.

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Last year Nucleus noted that vendors offering functionality mostly or solely for talent management face increasingly stiff competition from broader-suite providers (Nucleus Research *p153 – Technology Value Matrix 2015 – Talent Management*, September 2015). The issue is that employers have little reason to obtain talent management functionality separately. That's because the benefits of gaining it from a vendor whose suite covers the rest of HCM readily furnishes them with an ability to combine all of HCM, talent management included, with analytics that deliver actionable insight into workforce trends and the direction of the business.

This year's HCM Value Matrix underscores Nucleus's position on the matter. All vendors in this year's Leader quadrant offer deep functionality in talent management, and most Leaders provide a straightforward way for employers to combine that functionality with automation in HCM within a tightly integrated, single cloud-based suite delivered via software-as-a-service (SaaS). Some are better than others in going a step further to produce predictive and prescriptive analytics that draw on data across the full breadth of HCM.

Ceridian and Ultimate Software are good examples of how vendors in this space are quickly intensifying the competitive threat:

- In the case of Ultimate, the UltiPro suite spans all of HCM to provide users with a clear line of sight from payroll to the outer edges of talent acquisition. Nucleus's analyses of UltiPro deployments consistently reveal that the solution delivers a positive return on investment (ROI) (Nucleus Research *q112 – Ultimate Software UltiPro ROI case study – Nebraska Furniture Mart*, June 2016).
- With Dayforce HCM, Ceridian has faithfully executed on an aggressive roadmap over the past year and a half to provide functionality for talent management (Nucleus Research *p137 – Ceridian plots wise path to talent management*, August 2015). The vendor has done so all on a single application that also includes the full breadth of functionality at the epicenter of HCM – the essentials for employing people, such as payroll, time and attendance, benefits administration, and other elements of WFM.

### **Ultimate Software and Ceridian are good examples of how vendors in this space are quickly intensifying the competitive threat.**

SumTotal Systems is another example. Its acquisition by Skillsoft in Q4 of 2014 is showing fruit. WFM functionality from SumTotal was already highly capable of handling complex employee demographics (Nucleus Research *p123 – Guidebook – SumTotal Workforce Management*, July 2015). Post-acquisition, the vendor has been able to combine learning with the rest of talent management and WFM. Against this backdrop, an in-memory system processes data to surface embedded analytics to users – helping them in their decision making.

Several vendors elsewhere in this Value Matrix are perfecting the single-suite approach, as well. This is good for employers. Single suites completely in the cloud and bereft of complicated integrations and result in predictable implementations. Their deployments are straightforward to manage and generally do not require the long-term involvement of outside consultants.

Others have made strides to achieve these objectives, but have not fared as well.

- Kronos. Much of the vendor's solution is not in a public cloud. Enterprise users make do with a single instance of Workforce Central in a managed hosting environment. There is a demand for this, especially among large employers still reluctant to migrate business operations to the cloud and in heavily regulated

industries where certain types of data are disallowed in the cloud. But these users are the exception. Meanwhile, the vendor's solution for small- and medium-size businesses (SMBs), Workforce Ready, is in a multi-tenant cloud, but Nucleus's analyses of HCM users have found employers indicating that Workforce Ready is workable only for the smallest of small businesses.

- ADP. The vendor places well in the WFM Value Matrix (Nucleus Research *q90 – WFM Technology Value Matrix 2016*, May 2016). Furthermore, to be fair, ADP offers an array of HCM products for the array of employer sizes in its customer portfolio. However, the product choices can be confusing and necessitate a considerable amount of consultation as prospects enter the discovery stage of decision making. In addition, in its analyses of HCM deployments Nucleus has encountered numerous users reporting difficulties with manual workarounds and glitch-prone automation. Notably, some of these complaints have to do with ADP Vantage HCM, the cloud-based, SaaS-delivered product that ADP heavily promotes as a modern solution for HCM.

## DRILLING DOWN

This year's HCM Value Matrix has new entrants: Paycom, PeopleStrategy, SnagAJob (formerly PeopleMatter), and Ascentis. Meanwhile, in keeping with the direction HCM is taking, a few have exited this Value Matrix. Their solutions comprise functionality mostly or solely for talent management and will be profiled only in the Talent Management Technology Value Matrix. They include Halogen, Lumesse, SilkRoad, HrSoft, and IBM Smarter Workforce.

Following are additional highlights around vendor solutions profiled in this year's HCM Value Matrix:

- Oracle, Workday, Infor. These vendors offer solutions spanning more than HCM. (So do SAP and FinancialForce.) Where Workday, Oracle, and Infor tend to face each other in deals is when prospects wish to combine their operations for HCM and ERP financials. Nucleus's analysis has shown that employers electing to connect these two areas of the enterprise avoid costs and experience gains in productivity (Nucleus Research *q166 – Guidebook – Oracle HR and finance connected*, August 2016). In the case of Oracle, the vendor has made significant strides in unifying its HCM-related data model.
- FinancialForce HCM. The vendor remains in the Core Provider quadrant, but continues on its trajectory to become a Facilitator. Built on the Salesforce1 platform, the solution provides a low barrier to entry for users of Salesforce that

have yet to foray into HCM to begin automating and otherwise modernizing the management of their workforce. Notably, the vendor also provides functionality for ERP financials. When a prospect already runs Salesforce, this theoretically places FinancialForce at an advantage against Workday, Oracle, and Infor.



### HCM VALUE MATRIX 2016



## LEADERS

Leaders in the Value Matrix include Ceridian, Infor, Oracle HCM Cloud, SAP SuccessFactors, SumTotal Systems (Skillsoft), Ultimate Software, and Workday.

## CERIDIAN

Residing in a multi-tenant cloud and delivered via SaaS, Dayforce HCM is the HCM solution from Ceridian. Dayforce comprises core HR, payroll, benefits administration, time and attendance, plus other essential elements of WFM, as well as analytics and HR document management. Additionally, the vendor continues to faithfully execute on an aggressive roadmap to cover talent management. For this Dayforce now comprises the most important elements of talent management and is on track to encompass the rest, soon. Of Ceridian customers with whom Nucleus

has spoken, more than four-fifths have expressed an interest in implementing Dayforce talent management functionality as Ceridian deploys it (Nucleus Research *p137 – Ceridian plots wise path to talent management*, August 2015).

All of Dayforce functionality, including talent management, exists on a single application running a single data set and just one rules engine. This and the depth of Ceridian's solution set Dayforce apart from vendors in this and other Value Matrices related to HCM. The technology's architecture enables Ceridian to innovate more quickly than its competitors can and spares users the challenges associated with even the best integrations of multiple applications behind the user interface (UI).

Earlier this year, Nucleus provided details on Dayforce's capabilities in WFM (Nucleus Research *q90 – WFM Technology Value Matrix 2016*, May 2016). The technology is adept at helping facilitate users' compliance with employment law. Examples are the Affordable Care Act (ACA) and Fair Labor Standards Act (FLSA). Here, a single data set is an asset for users, helping them to track employees' hours accurately and generally automate compliance with these challenging regulations. In its analyses of users, Nucleus has found that they give Ceridian an average letter grade of A- for Dayforce's compliance-related capabilities (Nucleus Research *q17 – Ceridian gets high grades for compliance*, January 2016). This is the best letter grade average Nucleus has encountered in gauging user satisfaction with their HCM solutions' compliance-related capabilities.

As for talent management, recruiting was the first Dayforce deployment, in 2014. Since, aided by the single application and modern UI found in Dayforce HCM, the vendor has woven performance management capability into the system incrementally to support employee development. This fits into the idea of trigger-based performance management, an industry trend Nucleus has noted (Nucleus Research *p199 – The coming mass extinction in HCM*, November 2015). Managers interact with their staff on a continual basis to hone and guide employees' development. A new mobile UI builds upon this. Much like a number of solutions in this market space, Dayforce lays the groundwork for employers to eliminate annual performance reviews – whose demise Nucleus predicted (Nucleus Research *p198 – Top ten predictions 2016*, November 2015).

Recently, the vendor deployed onboarding (Nucleus Research *q68 – Ceridian adds strategic onboarding to Dayforce*, April 2016). Onboarding found in Dayforce automates the administrative aspects of onboarding, keeping pace with other solutions here. However, onboarding functionality in Dayforce is also flexible to enable the hiring manager and HR staff to tailor and present information in one location for the new employee. Additionally, the system works in concert with

TeamRelate functionality to help new employees learn about the working styles of their team members and generally get up to speed more quickly in the new job.

TeamRelate threads through all of HR and talent management–related capabilities (e.g., on an employee’s home page and in team review) to help the vendor provide employers with an uncommon ability to engage their workforce. Also related to employee engagement, earlier this year Ceridian spun off LifeWorks, its employee assistance program, into a separate company combined with WorkAngel – with whom Ceridian first partnered last year. Called an employee engagement platform (EEP), the new company applies a novel approach to employee engagement by combining the concept with employee rewards, through a mobile platform. In order to unlock retail and other perks, employees must first engage with their employer, via the EAP (Nucleus Research *q49 – Ceridian diverges from peers with LifeWorks EEP*, March 2016).

Through the LifeWorks spin-off and a number of divestitures Ceridian has completed since acquiring Dayforce several years ago, the vendor has successfully positioned itself as a cloud technology company focused solely on HCM (Nucleus Research *q142 – Ceridian shares its vision at INSIGHTS 2016*, July 2016). Nucleus’s analyses repeatedly reveal robust ROI in Dayforce deployments (Nucleus Research *q143 – Ceridian Dayforce ROI case study – Global Brass and Copper*, August 2016). Additional Nucleus analyses have shown that users repeatedly have chosen the solution over competitors’ such as Kronos, ADP, and SAP SuccessFactors (Nucleus Research *p224 – Anatomy of a decision – Ceridian Dayforce*, December 2015). Furthermore, Nucleus has consistently encountered positive feedback from users of Dayforce and excellent execution on vision from Ceridian. All these factors have resulted in Ceridian edging out the other Leaders in this year’s HCM Value Matrix.

## INFOR

Infor remains a Leader in the HCM Value Matrix. Over several years Infor has put together an HCM suite comprising natively developed functionality and acquired applications together covering the following: new-hire on-boarding, off-boarding, employee rewards management, payroll, time and attendance, scheduling, absence management, compensation management, goal-setting, learning management, advanced pre-hiring assessment, financial management, and elements of core HR.

With the release of its latest Infor CloudSuite HCM, the vendor has consolidated a number of these different platforms for HR technology. Notable new capabilities and integrations found in the newest release of Infor CloudSuite HCM address key components of talent management, with data science embedded throughout the suite. Much of the Infor solution resides in the cloud, and various permutations are

available solely or mostly in the cloud. Functionality designed to help users comply with the ACA is robust (Nucleus Research *q90 – WFM Technology Value Matrix 2016*, May 2016).

Infor acquired its Lawson-based payroll functionality in 2011. Deployments that include this COBOL-based solution for payroll produce a hybrid scenario whereby most of HCM resides in a cloud. At the user's request, payroll can be on-premise or exist as a single-instance (i.e., akin to a managed hosting environment) via Amazon Web Services (AWS). A partnership announced last year, with implementation consultants Bails & Associates, LLC, promises to help with deployments comprising Lawson-based payroll as a component. Middleware in the form of ION continues to thread together and integrate on-premise and cloud-based functionality found in the Infor suite. Most of the system is Java-based.

WFM functionality from Infor integrates with Infor Financials, which places the vendor in deals against SAP, Oracle HCM Cloud, and Workday. Additionally, Infor offers sound analytics capabilities spanning the entire Infor solution, not just HCM. In this way, they exemplify Nucleus's predictions on the future of analytics (Nucleus Research *q153 – The evolution of embedded analytics*, August 2016). Embedded, predictive analytics from Infor deliver relevant information to employees in the application they're using, when they need these. Since announcing a partnership and investment earlier this year, Infor fully acquired machine learning provider Predictix – further bolstering capabilities in analytics (Nucleus Research *q90 – WFM Technology Value Matrix 2016*, May 2016).

Since last year's HCM Value Matrix published, Infor has made strides in evolving its solutions for learning technology and talent science (i.e., predictive behavioral analysis). In summer 2015 the vendor announced a partnership with OpenSesame to bolster learning-related content accessible via the Infor Learning Management System (LMS). The availability of this is particularly relevant for Infor's micro-vertical solutions in healthcare. In July 2016, the vendor announced cloud-based, HTML5-compatible content-creation capabilities for its LMS as a complement to functionality for talent management. The idea is to help employers' staff develop content to add to and help evolve learning-related materials from HR.

Infor continues to expand globally, in Q3 of 2016 announcing significant investments in India, the Middle East, and Africa – with a focus on HCM. Infor continues, as well, to make good on providing users with a discernible, achievable path to the cloud, namely with the latest release of Infor CloudSuite HCM. Nucleus sees Infor making further progress in helping users make sense of their Infor-based applications' potential to work in concert – and in bringing remaining on-premise functionality

fully into the cloud. For instance, the vendor recently launched a program to facilitate data migration to the cloud for its customer base. Additionally, the formation of H&L Digital, a customer-facing arm of Infor's internal design shop, Hook & Loop, helps users in making their Infor-based applications work together.

## ORACLE HCM CLOUD

Again a Leader, Oracle HCM Cloud is a solution under one suite that comprises a broad cross-section of HCM: from core HR to payroll, time and attendance, additional elements of WFM, and all of talent management. The solution is workable for SMBs and large businesses. Companies employing more than 25,000 workers have deployed the full Oracle HCM Cloud suite, including payroll.

The solution features an array of functionality. For instance, a social network rests atop Oracle HCM Cloud to facilitate trigger-based performance review and collaborative learning. Additionally, through mobile-enabled functionality, managers are able to provide feedback on performance in the moment – in keeping with Nucleus's view on the future of performance management (Nucleus Research *p199 – The coming mass extinction in HCM*, November 2015). Predictive analytics draw on data from the social network and the system as a whole to help employers steer their business more effectively. One example is that managers can identify employee flight risk and take action to stop it. Another is that users can unearth future gaps in skills attributable to upcoming retirements or assess training and development programs against business results.

In last year's HCM Value Matrix, Nucleus removed Oracle's on-premise HCM solutions from the rankings. The vendor continues to service existing on-premise deployments, but it is worth noting that Oracle no longer markets a hybrid solution for HCM. Furthermore, Oracle notes that a large majority of net-new business for its HCM solutions are fully in the cloud.

The vendor has made great strides, too, in unifying its data model. This progress transcends HCM to help users benefit from Oracle's ability to integrate their HR workflow with other areas of the vendor's full suite for business. Nucleus's analysis has found, for example, that users deploying both HCM and ERP financials from Oracle reduce their costs and experience notable increases in productivity (Nucleus Research *q166 – Guidebook – Oracle HR and finance connected*, August 2016). Moreover, Nucleus has noted the potential interrelatedness for areas of business covered by the full Oracle suite (Nucleus Research *p153 – Talent Management Technology Value Matrix 2015*, September 2015).



Since the previous HCM Value Matrix published, Oracle HCM Cloud has built upon its solution in a number of ways.

- **Work Life Solutions.** This is work-life functionality that works in concert with talent management activity within the HCM suite. Nucleus's detailed analysis of Work Life Solutions is in last year's Talent Management Technology Value Matrix (Nucleus Research *p153 – Talent Management Technology Value Matrix 2015*, September 2015).
- **HR HelpDesk.** The new functionality for employee and manager self-service (ESS and MSS) transforms them into a consultative experience versus providing employees with mere information – helpful as the latter is. Social capabilities are part of HR HelpDesk, and a recommendation engine pulls from data within the Oracle suite to help employees with activities such as career pathing, wellness, and financial planning. This functionality for ESS and MSS can leverage core HR information found in the suite.

Oracle has also added to the functionality of its learning solution. Mobile functionality for recruiting now pipes into LinkedIn, and the vendor has strengthened the solution's ability to handle high-volume, potentially complex hiring scenarios. For WFM, among the improvements is that time clocks and Web clocks are now integrated. Additionally, the user experience (UX) is now common across devices.

Oracle and others farthest to the right in this report's Leaders quadrant provide close to or the full breadth of HCM. They are also uniquely poised to build upon their solutions' capabilities to innovate. Nucleus expects Oracle HCM Cloud's efforts here will continue to enable the vendor to deploy functionality well aligned with the longest-view visions regarding what HCM technology can do.

## SAP SUCCESSFACTORS

The SAP SuccessFactors solution is in a multi-tenant cloud and SaaS-delivered. For talent management, the solution is particularly robust and fares very well against competitors (Nucleus Research *p153 – Talent Management Technology Value Matrix 2015*, September 2015). This and additional functionality comes from the acquisition several years ago of SuccessFactors and subsequent investment in that solution.

Native functionality at the epicenter of HCM from SAP includes core HR (Employee Central) and supports benefits administration, organizational management, and position management. The solution also supports contingent worker management and employee lifecycle management and promotes the streamlining of workflow.

Over the past three releases, SAP SuccessFactors has added extensive support for time off management, time sheet capabilities, time administration, and overtime calculation.

Out-of-the-box localization is available for 79 countries. Globally and across all industries, customers range from those employing a few hundred to more than 300,000. For users with particularly complex needs around scheduling and support for hourly workers, the vendor relies on a partnership WorkForce Software. Another partnership, with Benefitfocus, exists to augment capabilities in benefits administration. To accommodate users' existing logistics or legacy deployments with Kronos, a partnership exists there, too (Nucleus Research *p97 – Parsing SAP's apparent partnering strategy for SuccessFactors*, June 2015). The SAP SuccessFactors solution for payroll (Employee Central Payroll) currently supports full localization for 38 countries globally, encompassing end-to-end gross-to-net pay processes and including required localized employee tax calculations and jurisdictional reporting.

Since the last HCM Value Matrix published, the vendor has bolstered its measures to shorten time from implementation to deployment. This is for various permutations of the SuccessFactors solution – e.g., from solely Employee Central deployments to various combinations of the solution's functionality for talent management. The latest Talent Management Technology Value Matrix contains in-depth information on SuccessFactors' significant capabilities as a Leader in talent management (Nucleus Research *p153 – Talent Management Technology Value Matrix 2015*, September 2015). Having observed the progress made thus far, Nucleus is keen on seeing how SAP SuccessFactors continues to build out its native capabilities in time and attendance and other areas of WFM. This will be the long-term key to SAP SuccessFactors' competitiveness.

## **SUMTOTAL SYSTEMS (SKILLSOFT)**

This year SumTotal Systems has entered the Leader quadrant. Skillsoft acquired SumTotal in Q4 of 2014 and has since invested in product development to more closely integrate learning with a SaaS-delivered HCM solution from SumTotal residing in a multi-tenant cloud. Deployment flexibility is available around SaaS.

In addition to its unified solutions for learning and talent management, SumTotal comprises a comprehensive platform for time and attendance, scheduling, absence and leave management, and payroll data processing. The Talent Expansion Suite includes a broad cross-section of talent management and the aforementioned learning. In-memory data-crunching capabilities in the elixHR platform pull together and process data from all these applications to produce embedded predictive and prescriptive analytics that help users in their decision making. For a portion of talent

acquisition, SumTotal currently relies on a partnership with iCIMS: An integration pipes recruiting and pre-hire onboarding information directly into the Talent Expansion suite. In Q4 of 2016 SumTotal plans to launch a native solution for talent acquisition and onboarding, which will include capabilities in internal career mobility.

Notably, performance management and learning capabilities found in the SumTotal suite reflect trends that Nucleus has identified. Specifically, elixHR pulls data from across the system to present these as accessible bits of information for managers – again, in the form of predictive and prescriptive analytics. The system recognizes triggers in any given employee’s activities and then delivers relevant learning content to him or her when he or she needs it most. This is what the vendor calls the “self-developing organization” (Nucleus Research *q57 – Trigger based learning takes hold*, March 2016). Notably, as well, the system can do this in concert with other vendors’ applications – for instance, the learning application can receive and contextualize information from Salesforce (Nucleus Research *p123 – Guidebook – SumTotal Systems*, July 2015).

Since last year’s HCM Value Matrix published, SumTotal has rebuilt the user experience through close collaboration with customers and extensive usability testing. For instance, employers now have the ability to tweak the UI so it matches their brand. For learning, users receive mobile notifications that inform them of their progress in on-the-job learning and what courses they might need to take next. This parlays with functionality that informs them and their managers on what they need to do learning-wise to be as productive as possible in their current and aspirational roles within the organization. Additionally, users now have the ability to click once to review and enroll in a course relevant to their career development.

Again, this is the first time SumTotal has appeared in the Leader quadrant of the HCM Value Matrix. Usability continues to improve, and in Q2 of 2016 the vendor announced a major refresh of the Skillsoft content library, integrated fully with the SumTotal platform. Additionally, the vendor launched an overhauled UI for learning and improved functionality for discovering and searching for this content. Nucleus believes the planned Q4 2016 development of a native solution for the pre-hire elements of talent acquisition, as well as onboarding, will help to move the vendor’s placement farther upward and to the right.

## ULTIMATE SOFTWARE

Ultimate Software is a well-established, perennial Leader in the HCM Value Matrix and remains solidly in that quadrant this year. The vendor’s solution, UltiPro, is an end-to-end, public cloud-based, SaaS-delivered solution for HCM covering core HR,

payroll, time and attendance, benefits administration, and additional elements of WFM. UltiPro comprises the full gamut of talent management, as well.

Several examples of new functionality have surfaced at the epicenter of HCM. One is pay insights: The system pushes information to mobile device–equipped employees about why, for instance, their pay may have changed during a given pay period. Another is a comprehensive approach to ACA compliance (Nucleus Research *p133 – Ultimate Software deployment of critical ACA automation*, July 2015). Additionally, the vendor will print, distribute, and file all ACA required forms. As well, Ultimate provides management of ACA requirements, including monitoring of employee eligibility, notice and appeal tracking, and response support. A large majority of UltiPro users also have tax services through Ultimate.

Ultimate continues to innovate its approach to customer support, moving to a tier-less structure for it. Dubbed the Collaborative Support Model, it mirrors a trend Nucleus has observed among several vendors in this market space. Each customer has a primary contact person. However, anyone on the customer’s assigned team can respond to a query in short order. The vendor reports a 60 percent reduction in time-to-resolution (TTR) with this approach. Related to this, Nucleus’s analysis of UltiPro users has found that all give Ultimate a letter grade of A- or higher for customer support (Nucleus Research *p150 – Anatomy of a decision – Ultimate Software UltiPro*, August 2015).

The vendor continues to perfect its solutions for talent management, and this year at its annual user conference shared the latest developments in functionality for the mobile UX, onboarding, and organizational views that are based on users’ perspectives. New capabilities also leverage existing retention and high performer predictive metrics to provide employers with recommendations on how best to develop leaders and on effective teaming. A base library of actions is preloaded with rich text capabilities to link to additional training content or videos.

Elsewhere, Ultimate is in the beginning stages of developing an index with individual measures that determine employees’ level of engagement with their employer. Ultimate plans to build on this benchmark with analytics-derived information as this element of the solution matures. The vendor already delivers a talent dashboard that includes predictive analytics around retention and to help leaders determine which employees of theirs are – or have the potential to become – high performers. New BI consultative services are available to complement this part of the solution, and Nucleus believes Ultimate’s acquisition in 2016 of the predictive analytics vendor Vestrics should bolster development in this area.

Last year Ultimate indicated that it has plans to roll out a new payroll calculation engine as a component of its existing payroll solution. Notably, Ultimate is already implementing the reengineered engine as part of the core solution for all new customers. Also notably, most deployments of UltiPro that Nucleus has analyzed have included payroll, which has shown itself to be more than capable in handling the typical Ultimate user's needs. These in-depth analyses by Nucleus into UltiPro deployments also reveal consistently predictable implementations and, post-deployment, robust returns on investment (ROI) for users (Nucleus Research *q58 – Ultimate Software Ultipro ROI case study – Greenspoon Marder*, March 2016). The latter squares with additional research from Nucleus showing that most users of UltiPro believe they have achieved positive ROI. Moreover, if given the opportunity to do so, every user Nucleus has encountered would buy again from Ultimate (Nucleus Research *p150 – Anatomy of a decision – Ultimate Software UltiPro*, August 2015).

## WORKDAY

The Workday solution comprises core HR, payroll, time tracking, benefits administration, the full gamut of talent management (including functionality for talent acquisition), workforce planning, and analytics. All but learning is on a single module. Workday announced functionality for learning in Q4 of 2015. In keeping with trends Nucleus has noted in technology for on-the-job learning, Workday Learning is not a conventional learning management system (LMS) (Nucleus Research *p199 – The coming mass extinction in HCM*, November 2015). Drawing on real-time data from the Workday suite, which also spans ERP financials, Workday Learning is able to detect moments when and where employees might benefit from learning objects. This helps the solution to facilitate what Nucleus calls a trigger-based approach to learning (Nucleus Research *q57 – Trigger based learning takes hold*, March 2016). Also in keeping with modern solutions for learning, from within the system users have the ability to create and share content with colleagues.

In the last HCM Value Matrix, Nucleus noted that Workday Insights Applications helped add depth to the breadth of functionality in Workday's suite. The recent acquisition of Platfora builds on this direction (Nucleus Research *q161 – Acquisition of Platfora evolves Workday analytics*, August 2016). Platfora expands the amount and kind of information available to the system, which employs advanced data science and machine learning algorithms to combine data from financials and the workforce so businesses can make better-informed decisions. This addition to Workday's arsenal bolsters the vendor's ability to compete with Oracle and Infor, whose suites similarly span HCM and ERP. This edge in competitiveness is especially true in the wake of Oracle's acquisition of NetSuite (Nucleus Research *q150 – Oracle bolsters cloud play with NetSuite*, July 2016). Related to all this, in Q3 of 2015

Workday launched a ventures fund to identify, invest in, and partner with start-ups focused on the intersection of data science, machine learning, and enterprise technology.

At the epicenter of HCM, data captured in Workday core HR pipes into the payroll calculation engine where necessary, and the general ledger displays related inputs where pertinent. For global payroll, a partnership with ADP continues to expand. Notably, global payroll from ADP now pipes into Workday so that users of the latter's solution experience ADP functionality from within the Workday UI. Additionally, earlier this year Workday launched a France-specific version of its payroll solution tailored to help users with employees there comply with that country's idiosyncratic regulations.

Nucleus believes Workday will continue to be a Leader in future HCM Value Matrices, but that the vendor has work to do in gathering information from its teeming interactive user community to resolve issues with the solution and deploy improvements. Mentioned in last year's HCM Value Matrix, as well, pros and cons related to the structure of Workday's service-level agreements (SLAs) remain a factor in the vendor's placement within this quadrant. Furthermore, stacked against competitors in the Leader quadrant and elsewhere, the Workday solution for payroll is comparably thin. This is offset, however, by the solution's ability to cross-pollinate HCM data with a native solution for ERP financials and by longstanding integrations with other payroll providers, such as ADP, NorthgateArinso, AON Hewitt, and others.

## EXPERTS

Experts in the Value Matrix include ADP, PeopleFluent, and SnagAJob (PeopleMatter).

### ADP

ADP offers several solutions for employers of different sizes and types. Examples are the following integrated applications: ADP RUN, ADP Workforce Now, ADP Vantage HCM, and ADP GlobalView. Through these and other applications, ADP's suites cover the full gamut of HCM. For the epicenter of HCM, for instance, there is core HR, payroll, time and attendance, benefits administration, and additional elements of WFM. A small slice of the total ADP client base gets functionality for time and labor management through a longstanding integration with Kronos. Beyond the epicenter of HCM, the vendor offers functionality for talent management: talent acquisition, learning, performance management, compensation planning, and succession management.

Notably, talent acquisition is available solely as technology or as recruitment process outsourcing (RPO). ADP continues to innovate its offering here. Recently, for instance, the vendor integrated its recruiting functionality with LinkedIn's. Given that recruiters routinely turn to LinkedIn as a means to source hard-to-find talent, Nucleus believes this integration will increase the productivity of recruiters who have it at their disposal. Posting of job requisitions across multiple job boards is possible, too. Recruiters using ADP have access to considerably more searchable resumes and may now schedule and perform video interviews. A customizable careers page is available, as is the ability to track and screen candidates at one destination online.

Shortly following the publishing of last year's HCM Value Matrix, the vendor unveiled new UIs for ADP Vantage HCM, ADP RUN, and ADP Workforce Now. Central to these changes has been a complete revamp of the mobile applications. Overall, the idea has been to create a single experience for users regardless of the ADP application he or she is utilizing. Gamification capabilities thread throughout the UX. Notably, compatibility with smartphones and tablets is available for hiring managers. Elements of the UI support trigger-based performance management and on-the-job learning, in line with Nucleus's analysis of market trends (Nucleus Research *q57 – Trigger based learning takes hold*, March 2016).

Parallel to the UI redesign, onboarding from ADP has received a deep overhaul to eliminate paperwork, increase automation, and engage candidates and new hires in stickier ways. Following are additional developments of note:

- **ADP Marketplace.** Last year the vendor launched the ADP Marketplace, opening its APIs to users and third parties to create applications designed to work in concert with ADP. This is not platform-as-a-service (PaaS), but ADP Marketplace emulates PaaS in that it enables developers to innovate by using ADP as a base.
- **ADP TotalSource.** In Q2 of 2015 ADP launched this health and wellness solution. Services and technology, combined, are designed to help employees with their health, wealth, life, and work. Innovation in employee assistance programs has been notable over the past two years as vendors strive to break free of traditional notions of employee engagement.

As have others, ADP has made available a resource center and online calculators to help employers navigate new rules associated with the FLSA. This is in addition to the vendor's continually evolving functionality to help employers comply with the ACA. Nucleus has documented more of the past year's developments in ADP's

functionality for WFM in the latest WFM Value Matrix (Nucleus Research *q90 – WFM Technology Value Matrix 2016*, May 2016).

In its analyses of user cases, Nucleus has encountered numerous employers that have reported challenges in using ADP – e.g., glitch-prone automation and an undue need for manual workarounds. To be fair, a number of these scenarios have involved older ADP solutions. Nevertheless, in many cases, these users ultimately elected to retire their ADP systems as they deployed a newer solution from some other vendor. In a number of these deals, ADP approached the users with new ADP solutions. In these instances, some users have noted that the ADP product appeared to be a payroll solution with elements of HCM tacked onto it. Nucleus does not necessarily agree, but the dynamic here may partially be because ADP's origins are in payroll, tying the brand to this idea. In this way, it remains the case that ADP continues to combat perceptions that it is, essentially, a payroll company – a challenge Nucleus has noted previously (Nucleus Research *0215 – Technology Value Matrix Second Half 2014*, October 2014).

Also worth noting, ADP serves employers of all sizes, so it is reasonable for the vendor to have an array of solutions reflecting this. However, the circumstances also present a branding conundrum for ADP. As it stands, there is no single product for HCM whose role is the face of ADP. Several years ago, yes, the vendor launched Vantage HCM, a cloud-based, SaaS-delivered solution. Recently, however, the vendor has targeted that solution down market in order to accommodate larger customers' more complex needs by offering them other, already existing products. Nucleus believes ADP needs to find its stride in presenting to the market a halo product or recognizable branding around a single nomenclature for product naming. These actions would go a long way in squelching lingering perceptions, once and for all, regarding what the vendor has to offer as a full-suite provider of HCM. By doing so, ADP stands to retain users such as those in Nucleus's aforementioned analyses and improve its progress in taking market share from formidable competitors.

## PEOPLEFLUENT

Cloud-based and SaaS-delivered, the PeopleFluent suite offers broad and deep functionality in talent management spanning areas such as talent acquisition, performance management, professional development, workforce analytics, learning, succession planning, organizational planning, and compensation planning.

Also part of the suite is functionality for compliance as it pertains to talent management. For instance, for compliance with regulations issued by the Office of Federal Contract Compliance Programs (OFCCP), users can develop plans that comply with the full breadth of Affirmative Action regulations. For instance, the system is



built so that non-compliant applicants cannot progress too far in the process. Additionally, the system will notify a user when and if a non-compliant candidate has, for whatever reason the solution would normally disallow, advanced too far. A dashboard tool automates the majority of related paperwork, which requires detailed information be entered correctly in complex forms. A dedicated team can provide guidance and handle outsourced analytics for users as it pertains to AA compliance. PeopleFluent also provides training and services for compliance with Affirmative Action and solutions for diversity and inclusion, as well.

Notably, through collaboration, quizzes, video, surveys, and other activities bolstered by PeopleFluent's social media-style UI, the vendor's solution for learning supports and reflects trigger-based approach Nucleus has predicted in learning (Nucleus Research *p199 – The coming mass extinction in HCM*, November 2015). Users are able to create and share their own content. Meanwhile, trainers are able to draw on this community-sourced trove of information to develop programs better tailored to the workforce. The learning module supports multiple languages.

Performance management from PeopleFluent also supports the trigger-based approach, including helping to facilitate managers' coaching of their staff. In Q4 of 2015 the vendor launched a new UI for its mobile recruiting module, which supports integration with Dropbox and Google Drive (e.g., for a candidate to upload a resume or cover letter) and an overall more consistent experience for job seekers. The vendor offers a solution tailored well to high-volume recruiting. The look of the UI is configurable; users can tailor it to emulate their corporate branding. Organizations that hire in high volumes can calibrate their automated sourcing efforts in the moment.

The vendor has also improved analytics and reporting capabilities for its compensation management module. In addition, the suite enables HR to develop workforce reports and organizational charts. Updates to this launched in Q4 of 2015 have expanded available reporting and mobile accessibility and improved the solution's ability to integrate with SAP.

Users of PeopleFluent typically employ approximately 10,000 in staff, with the vendor's largest strengths being in financial services, manufacturing, and healthcare. With an ability to help employers manage contract workers, PeopleFluent finds itself in deals where its solution can be a value-add to Fieldglass, a related solution from SAP. There is time-tracking functionality within the PeopleFluent module for managing contract workers. (PeopleFluent often goes head-to-head with Workday and Oracle, as well.)

In that the suite does not include technology for payroll, time and attendance, benefits administration or other aspects of WFM, PeopleFluent is not a full solution for HCM. For this reason, the vendor places firmly in the Expert quadrant. As compliance issues continue to permeate all of HCM, not just WFM, Nucleus believes solutions such as PeopleFluent's will become indispensable. Users that avail themselves of this type of functionality stand to avoid otherwise debilitating costs in the form of fees and penalties for failure to comply with complex regulations.

## SNAGAJOB (PEOPLEMATTER)

SnagAJob, a platform that matches hourly job candidates with hiring organizations and vice versa, acquired PeopleMatter in late Q2 of 2016. This new entity is now in the process of combining PeopleMatter's capabilities in WFM, talent acquisition, and other areas of talent management such as onboarding, learning, and performance management with the SnagAJob solution. A mobile application is central to both vendors' solutions. In the case of PeopleMatter, mobile functionality spans the breadth of WFM and talent management that the vendor offers.

As noted last year, PeopleMatter is a solution tailored to service-industry users employing large populations of hourly workers (Nucleus Research *p73 – Technology Value Matrix 2015 – WFM*, April 2015). Going into the acquisition, PeopleMatter had recently forged a partnership with HotSchedules, an hourly employee-focused vendor offering WFM functionality complementary to PeopleMatter's.

Highlights of updates to the PeopleMatter suite over the past year have included new additions to mobile functionality and an increased ability for employers to keep track of Affirmative Action job candidates – further buttressing PeopleMatter's capabilities in helping users comply with employment law. Improvements in analytics as they pertain to talent acquisition to drive engagement with applicants, for instance, have been a part of these product updates, as well. Here the PeopleMatter solution is robust, again complementing SnagAJob.

Last year PeopleMatter announced a strategic partnership with Indeed, a popular job board. The vendor has since solidified its integration with Indeed, and the partnership is in ways an analog for the recent acquisition by SnagAJob. Nucleus believes that PeopleMatter is a good fit for SnagAJob, most notably at the intersection of talent acquisition; however, SnagAJob is clearly angling to expand its purview beyond talent acquisition. Nucleus is keen on seeing how the vendor further works out logistics and vision behind incorporating PeopleMatter into its portfolio. The acquisition is new, and this year SnagAJob places within Expert quadrant.

## CORE PROVIDERS

Core Providers in the Value Matrix include Ascentis, FinancialForce HCM, and Kronos.

### ASCENTIS

Ascentis is a cloud-based, SaaS-delivered solution covering core HR, MSS and ESS, payroll, and time and attendance, including related reporting. Functionality found in ESS adds automation to employees' annual open enrollment in their benefits and everyday benefits administration. For talent management the vendor provides functionality for learning, performance management, employee assessment, compensation planning, and succession planning. For performance management, Ascentis also provides functionality for 360-degree assessments. Workflow is configurable for the user, who also has a good deal of latitude in terms of the types and order of questions he or she can ask a coworker in informing the assessment. Reporting is robust.

Including onboarding, recruiting functionality enables talent acquisition specialists to deploy career portals, broadcast information via social media, and analyze data on candidates. Additionally, woven into the solution is benchmarking functionality that enables a hiring organization to see how it fares against its competitors in attracting potential new hires – e.g., salary and medical insurance comparisons. For analysis, a dashboard presents the information in various permutations.

Most of the above functionality is available through a mobile UX, as well. Analytics capabilities thread through the solution to deliver insights to users. Functionality for compliance is robust, with capabilities pertaining to the Family and Medical Leave Act (FMLA), FLSA, EEOC, and the ACA. For the latter, the vendor's solution helps users to manage and determine employees' eligibility for (and the affordability of) coverage. The solution also automates elements of the completion of Forms 1095-C and 1094-C and the filing of related information to the IRS. Users have access to an archive of ACA-related educational materials.

### FINANCIALFORCE HCM

FinancialForce HCM is a wide-breadth solution for HCM built natively on the Salesforce1 platform. Notably, FinancialForce HCM is fully deployable as a standalone solution, without Salesforce.

In Q4 of 2015, the vendor added time and attendance to the suite, which means that with the exception of payroll the solution covers everything at the epicenter of HCM. Through a feature called Payroll Connect, FinancialForce HCM continues to forge

standing integrations with common payroll solutions its users may already have in place. Most recently, these integrations have expanded to include Ceridian; through Payroll Connect, users have had the ability to integrate with ADP, Paylocity and other well-known providers for some time. Meanwhile, all benefits administration and everything else that touches payroll is handled from within the FinancialForce HCM suite.

Especially when deployed on the Salesforce1 platform, FinancialForce HCM delivers a number of benefits. Much of this is attributable to Chatter, the social collaboration tool found in Salesforce. Many vendors in this market space have developed UIs that facilitate social collaboration and the analytics to work in concert with that. An additional benefit to users of FinancialForce HCM, however, is that they have a readily accessible, straightforward way to expand that collaboration to ERP financials – another area FinancialForce covers. Second is that users have the ability to mix and match social collaboration and attendant analytics from across these two areas to drive employee performance and guide their businesses in informed ways.

Related to this, since last year's HCM Value Matrix published, the vendor has drilled deeper to surface contextually collaborative opportunities for users focused on performance management. This is a manifestation of the trigger-based approach to performance management, which Nucleus has identified as a disruptive development in talent management (Nucleus Research *p199 – The coming mass extinction in HCM*, November 2015). A trigger-based approach clears the way technologically for employers to do away with the annual performance review, should they wish, in favor of enabling managers to collaborate with their staff to improve organizational performance continually and more holistically. Notably, FinancialForce HCM also includes functionality for learning, another area of HCM under transformation because of technology's evolving ability to trigger interaction.

As noted in last year's HCM Value Matrix, the solution includes functionality for ACA compliance, which the vendor continues to hone. Users of FinancialForce HCM tend to be large enterprise employers or in the midmarket, but other SMBs that use Salesforce are prime candidates, as well. The vendor's focus on midmarket and enterprise employers combines with its coverage of ERP financials to place FinancialForce in competition with Workday, Oracle, Infor, and, to a lesser extent, SAP. Employers that connect their HR and financials save money, experience noticeable gains in productivity, and better align business goals with HCM (Nucleus Research *q166 – Guidebook – Oracle HR and finance connected*, August 2016).

In its analyses of employers that use FinancialForce HCM, Nucleus has found that the solution implements and deploys quickly. Notably, the vendor recently launched

a streamlined implementation program, Smart Start, to further help users in this. Much like similar programs by WorkForce Software and JDA Software, Smart Start provides users with a streamlined version of the solution containing only the functionality they'll most likely need (Nucleus Research *q128 – WorkForce Software Vision 2016 update*, July 2016). This speeds implementation, and users can choose the level of complexity they want.

Users of FinancialForce HCM experience benefits in short order across the breadth of HCM and, over time, a considerable return on investment (Nucleus Research *q36 – FinancialForce HCM ROI case study – Ashoka*, March 2016). Perennial activities such as benefits administration and recruiting, especially burdensome without automation, experience newfound efficiencies. For employers that have Salesforce, but lack HCM technology, the solution provides a straight line to productivity gains.

FinancialForce HCM continues to move upward and to the right. Given the vendor's aggressive product roadmap, Nucleus expects that FinancialForce HCM's current trajectory will place it in the Facilitator quadrant next time. Most users that choose FinancialForce, whether it be for HCM, ERP or both, already have Salesforce in place. Because of this, implementation and deployment are straightforward. Many choose the solution over others for this very reason. Though this aspect of the solution in ways puts FinancialForce at the mercy of developments or changes at Salesforce, Nucleus continues to believe the Salesforce compatibility is a major selling point.

## KRONOS

This year Kronos has moved into the Core Provider quadrant for the HCM Value Matrix. In what the vendor calls the Kronos Cloud, two main solutions are available to users depending on their size and needs:

- **Workforce Central.** This is for enterprise customers and comprises time and attendance, absence management, scheduling, analytics, core HR, and payroll. Here is where the vendor's definition of cloud strays from the idea of multi-tenancy: Each deployment of Workforce Central is in a managed hosting environment (Nucleus Research *p208 – Kronos Cloud versus modern HCM tech*, November 2015). This is fine for industries under heavy regulatory oversight that prohibits the scope and kind of data that may reside in a multi-tenant cloud. However, Workforce Central is not in the real cloud, and Nucleus recommends that employers unbridled by such regulations migrate their HCM to something else (Nucleus Research *p62 – Technology Value Matrix 2015 – HCM*, April 2015).

- **Workforce Ready.** With its origins in SaaShr, a platform that Kronos acquired in 2012, Workforce Ready is the SMB solution from Kronos. SaaS-delivered, it resides in a multi-tenant cloud and comprises time and attendance, absence management, core HR, and payroll. For those that want it, Workforce Ready functionality pipes into the SAP SuccessFactors solution (Nucleus Research p97 – *Parsing SAP's apparent partnering strategy for SuccessFactors*, June 2015). In its analyses of employers' experience in vetting solutions for HCM, Nucleus has noted that Workforce Ready encounters difficulty meeting the needs of all but the smallest of SMBs (Nucleus Research q22 – *Google settles for Kronos in SMB market*, February 2016).

Notably, a well-established integration provides a small subset of ADP users with functionality for time and attendance from Kronos. It is additionally worth noting that in deployments of other vendors' solutions, Nucleus's analyses have found that employers often elect to retain Kronos functionality for time and attendance; typically, this is at the request of a union.

Nucleus's latest WFM Value Matrix provides more details on developments in Kronos's solutions for WFM (Nucleus Research q90 – *WFM Technology Value Matrix*, May 2016), and for now, Kronos remains a viable option for WFM. However, Nucleus believes employers have preferable options when they need a full-fledged solution for all of HCM. This is especially true for SMBs, which constitute the bulk of the market looking to upgrade their HCM technology. SaaS-delivered, truly cloud-based functionality available from other vendors to cover the breadth of HCM is typically more flexible and more easily deployable than Kronos's.

## FACILITATORS

Facilitators in the Value Matrix include Paycom and PeopleStrategy.

### PAYCOM

Resting atop a single database, the Paycom suite is a cloud-based solution for all of HCM. This covers core HR, benefits administration, payroll, and time and labor management. The solution also spans talent acquisition (sourcing through onboarding – e.g., candidate tracking, applicant tracking, background checks, and E-Verify), performance management, compensation planning, and learning.

Analytics thread throughout the solution, whose focus on facilitating compliance with employment law is notable. For instance, in Q1 of this year the vendor released a free calculator to help employers navigate changes to overtime regulations for employees earning less than \$50,400 annually. Additionally, recently the vendor

further bolstered its ability to help employers comply with the ACA. Talent acquisition includes elements of compliance, too: Employers can pre-screen candidates to determine which are tax credit-eligible and outsource to Paycom the task of securing these credits.

In Q1 of last year, the vendor launched learning functionality, the latest addition to its capabilities in talent management. Paycom's solution here reflects Nucleus's observations on the direction of learning to become more trigger-based (Nucleus Research *p199 – The coming mass extinction in HCM*, November 2015). Bolstered by analytics that help managers adjust their approach for learning effectiveness, the module enables users to share knowledge across the organization and train in the moment, as needed. Performance management from Paycom is similarly reflective of these trends.

The single database is a benefit to users seeking a system that produces real-time information, and only a few vendors in the HCM Value Matrix can make this claim. The typical company that uses Paycom employs 50 to 200 in staff. Of note, organizations with considerably larger employee counts are becoming more commonplace in the vendor's portfolio. Much of Paycom's capability is covered in Nucleus's most recent WFM Value Matrix (Nucleus Research *q90 – WFM Technology Value Matrix 2016*, May 2016). Paycom is a solid option for SMBs that need workable, out-of-the-box functionality at the epicenter of HCM. Nucleus expects Paycom to continue moving upward and to the right, on a trajectory to enter the Leader quadrant in future HCM Value Matrices as the vendor further builds out its functionality across talent management.

## PEOPLESTRATEGY

PeopleStrategy is a cloud-based, SaaS-delivered, wide-breadth solution for HCM. Called eHCM, the solution spans core HR, a full-service payroll module, benefits administration, time and attendance (plus scheduling), additional elements of WFM, talent acquisition, and performance management. Organizations that use PeopleStrategy employ an average of 600 in staff. At the lower end of the market, where PeopleStrategy faces competitors focused mostly on just payroll, the vendor is able to provide prospects with a clear line of sight to more of HCM as their needs grow. The vendor has been steadily moving upmarket, and its solution has the flexibility and scalability to accommodate employers with 100 to 5,000 employees.

Notably, several vendors in this market have developed implementation programs that tighten the time to deploy. PeopleStrategy's program for this is called ClearPath Implementation. Programs such as these generally enable users, as well,

to go live only with the functionality they need (Nucleus Research *q8o – JDA expands its sphere in WFM with Stratus*, May 2016).

Mobile functionality in the PeopleStrategy suite is available directly via the Web, without the need for an application. This makes compatibility with bring-your-own-device (BYOD) policies straightforward. MSS and ESS are flexible, and staff can do most of what it needs from the mobile UX. Following are a few examples of functionality found in MSS, ESS, and elsewhere in the suite:

- Managers logged into the mobile environment can proactively manage employees' professional certifications – i.e., know when an employee needs to recertify soon and, thus, notify him or her of this.
- For benefits administration, employees have the ability to compare health plans side by side and manage pertinent life events post-enrollment.
- Total compensation statements are available digitally and on paper. Time-off requests are viewable within MSS. This ties into the WFM module, and permissions management enables supervisors to limit the ways in which any given employee can clock in and out of a shift. Task functionality alerts and reminds users to approve time-off requests.
- Managers have organizational charts to show them their direct and indirect reports and can change dates to see shifts in a team's makeup over time. (A roster-style format is available for users that prefer it.)
- Managers can broadcast notifications to their teams and have flexibility in attaching documents, tailoring messages, selecting recipients, and otherwise modifying communication.
- As they deem appropriate, employers can set up all steps from sourcing through onboarding – including pre-hire candidate assessments. Recruiting and hiring managers can see who's in the pipeline at all points in the process.

A clean, straightforward UI presents modules to users however they gain access to them and according to the permissions they have. Administrators have the ability to set these permissions. Functionality for performance management is robust, and users receive related notifications via email. Of note – with permissions in place – employees have the ability to broadcast to their teams (or any other permutation of the organization's staff population) how they're feeling on any given day. This helps managers to gauge overall employee engagement. In the product roadmap are



plans to work this capability into broader initiatives to deploy additional functionality in career development and performance management.

A reporting module is integrated and includes data visualization and dashboard capabilities. A number of pre-loaded, standard reports assist employers in gauging various metrics of the workforce. Users have the ability to alter these or create custom reports and, thus, gain insight into hypothetical scenarios involving the workforce. Graphical representation here is flexible. Dashboards can be created, tailored for specific employees or groups of employees.

This is the first time PeopleStrategy has appeared in the HCM Value Matrix. As the vendor continues to broaden the functionality of its solution and moves additionally upmarket, Nucleus expects PeopleStrategy to move farther rightward.