NUCLEUS RESEARCH

HCM TECHNOLOGY VALUE MATRIX 2020

ANALYSTS
Trevor White, Evelyn McMullen

THE BOTTOM LINE

Factors such as low unemployment and high labor participation continue to compel HCM vendors to offer complex functionalities. However, these conditions have also contributed to an increased focus on user experience. Candidate drop off and high turnover are pressing issues for many industries, and the current state of the labor market has only added to the sense of urgency that HR teams and recruiters face. Leveraging capabilities that boost engagement, such as on-demand pay and learning, as well as enhancing longstanding modules to be more user-friendly, are critical to helping organizations attract and retain preferred candidates.

HCM
Value Matrix | March 2020

NUCLEUS RESEARCH

FACILITATOR | LEADER

Greater Usability ▲

Ceridian
Ultimate Software
SumTotal Systems
Oracle
PeopleStrategy
Paycor
Infor
Ramco Systems

Paycom
Workday
Snag
Paychex
Kronos
SAP SuccessFactors
SyncHR
Ascentis
ADP

CORE PROVIDER | EXPERT

Better Functionality ➤

OVERVIEW

Vendors in the HCM space are continually competing to stand out against their counterparts. Especially now, as most offer comprehensive suites with similar baseline modules. The past few years have seen enhancements to reporting and analytics, as well as the introduction of machine learning (ML) to automate manual HR processes. The integration of data in HR processes continues to rise and can be leveraged to create

diagnostic and predictive metrics such as engagement and flight risk. These insights facilitate better decision making and aid employers in maintaining a sufficient level of engagement among employees from candidacy to succession.

The millennial workforce has come to expect a streamlined and engaging experience throughout the employee lifecycle, due in part to the continual augmentation of their everyday lives with technology. In response, vendors have worked to make their solutions more customizable, with intuitive user interfaces that provide a single source of important employee information. Feedback tools have also been revamped, allowing for frequent surveying on both the manager and employee side, as opposed to one-sided annual performance reviews.

For this Value Matrix, Nucleus evaluated HCM vendors based on the relative usability and functionality of their solutions, as well as the value that customers realized from each product's capabilities (Nucleus Research s142 – *Understanding the Value Matrix* – September 2018). The research is intended to serve as a snapshot of the HCM technology market, help inform customers about how vendors are delivering value, and take stock of what can be expected in the future, based on current investments.

LEADERS

Leaders in the Value Matrix include Ceridian, Infor, Oracle, Paycor, and Ultimate Software.

CERIDIAN

Ceridian Dayforce is an end-to-end, cloud-based HCM solution that spans core HR, payroll, benefits, workforce management (WFM), and talent management. The company has built out its talent capabilities and today offers a full complement that includes recruiting, onboarding, performance management, succession planning, learning, and compensation management. With Dayforce, Ceridian provides a full-suite HCM solution on a single application, producing a single data set governed by a single rules engine. This architecture gives users the ability to navigate all facets of the solution with the same user interface to provide a cohesive experience and eliminate integration challenges. It also provides a single employee record that can be accessed in any Dayforce module, which saves users from having to re-enter the same employee information multiple times in their HCM system. Data from one module can be leveraged in other modules and processed in real-time. Dayforce is designed to serve this data up to not only HR, but business leaders and employees based on role-based permissions.

Strength in global payroll capabilities in combination with localized currency, support for more than 20 languages, requirement-tailored HR data for individual countries, and the ability to configure geographic and country-specific localization requirements through its flexible rules engine, gives Dayforce an edge as a global solution. Ceridian also offers a single global contract and service agreement. The vendor currently has 4,350 live customers across more than 50 countries and continues to expand. Ceridian typically rolls out major bi-annual updates, and also delivers enhancements approximately every six weeks to provide users with incremental value on a regular basis.

Updates and announcements since the last Value Matrix include:

- In addition to providing native payroll for the U.S., Canada, the U.K., and Australia, Ceridian launched native payroll for Ireland in July and New Zealand in February. The vendor also shared plans in February to bring native payroll to Germany, Mexico, Mauritius and 11 additional countries in the next few years. Ceridian offers the ability to extend its payroll capabilities to over 150 countries through an extensive partner network.

- In September, Ceridian announced the acquisition of Australian workforce management provider RITEQ to further extend its presence into Australia and New Zealand.

- Ceridian launched the latest release of Dayforce in October, which includes new facial verification features for its Dayforce Touch clock, the addition of compensation benchmarking data to its Dayforce Compensation module, and new engagement survey capabilities for its talent management suite.

- In October, the vendor also announced Dayforce Hub, a new homepage experience that will allow the user's experience to be tailored with organization-specific branding and content through configurable widgets and styles, as well as Dayforce Wallet, which enables workers to access their already earned wages any time during the pay period and have them immediately deposited into a digital account. Dayforce Wallet processes a same-day payroll each time a worker requests their pay, while complying with federal, state, and local laws and submitting applicable taxes and garnishments. Ceridian requires no changes to payroll processing as they are given control of when, how often, and how much the individual worker is able to withdraw. In addition, organizations are not required to pay the money out early, as Ceridian will be fronting the capital.

Additionally, Ceridian announced Dayforce Intelligence in October, which will combine HCM data with predictive analytics to identify key metrics for HCM processes. Organizations will be able to see how they compare against their peers within areas such as size, industry, and geography, and track metrics over time.

INFOR

Infor offers Global Human Resources (GHR) as its core HR solution that provides functionality for organizational planning, benefits enrollment, absence management, a personnel system of record for employees and non-employees, and self-service. Additionally, the solution covers new-hire onboarding, cross-boarding, offboarding, employee rewards management, employee relations, and occupational health and employee safety. The vendor offers separate solutions tailored to specific service industries, including healthcare, manufacturing, and the public sector. Infor CloudSuite HCM analytics are also offered, allowing managers to leverage Infor Coleman AI to predict metrics such as employee performance. Employees can also use Coleman to ask questions such as how much paid time off they have or when their next shift is.

Within GHR is a full suite of talent management services, including talent acquisition, compensation management, goal setting, performance management, learning management, and advanced pre-hiring assessment. The applications are built on a framework that includes industry-specific content models that organizations can choose to use if they wish. The overall level of configuration and personalization that the vendor offers through its solution makes it easy for organizations to anticipate updates and customize their experience.

Updates and announcements since the last Value Matrix include:

- In February, Infor was acquired by Koch industries, which is currently on Infor's cloudsuite HCM solution, extending its user base to Koch's 120,000 employees.

ORACLE

Oracle offers customers a full suite of HCM solutions for core HR, payroll, time and attendance, recruiting and onboarding, talent management, and workforce management. The vendor primarily focuses on serving midsize and enterprise organizations and is currently using its Oracle Soar program to move its legacy on-premises customers over to the Oracle HCM Cloud.

Oracle HCM Cloud has a number of integrable solutions that cover shift planning to project resource management. For example, workers' planned schedules from Oracle Field Service Cloud can be imported into Oracle HCM Cloud with web services. Recent updates to the platform include a responsive mobile experience and scalable HR concierge that leverage artificial intelligence (AI) to deliver an enhanced employee experience. The vendor provides drag and drop shift scheduling capabilities in its HCM Cloud Time and Labor product, but partners with vendors such as Humanity and Workforce Software to handle more sophisticated functionality such as labor forecasting and optimization of schedules in industries such as Retail, Manufacturing, and Healthcare.

PAYCOR

Paycor's HCM solution offers functionality for recruitment, HR, timekeeping, payroll, learning, and workforce insights. While the vendor primarily targets small to midsized organizations, its recruiting solution works quickly to hire the strongest candidates through capabilities including candidate texting, analytics, integration with job boards, and an automated employee referral program.

The Paycor Mobile App allows employees to use the solution's time clock, as well as view time-off requests, pay history, scheduling, and company updates through a single source. Additionally, the vendor offers a strong reporting platform that allows for deeper analysis into key HR metrics including turnover, overtime expenses, and diversity. Recent acquisition of Ximble scheduling has enhanced the solution's time capabilities.

Recent updates and announcements since the last Value Matrix include:

- In October, Paycor announced the release of Paycor Analytics, leveraging the functionality of analytics provider, Visier, to offer HR managers greater insight into employee data.

- The vendor also announced the release of Candidate Texting, a solution that can be integrated into the vendor's applicant tracking system, allowing recruiters to communicate with potential hires using text as a channel.

- In January, Paycor announced Scheduling and Scheduling Pro as additions to its time and attendance offering to automate and optimize the scheduling process.

ULTIMATE SOFTWARE

Ultimate Software offers UltiPro as its HCM suite solution, which includes AI-driven, cloud-based functionality for advanced HR, payroll, benefits, analytics, and workforce management. The suite also provides solutions for recruiting, onboarding, career and succession planning, performance, on-demand learning, compensation management, employee-file and case management, and employee feedback and sentiment analysis. To support multinational organizations with employees outside of North America, UltiPro has more than 90 country localizations in addition to the U.S. and Canada.

The vendor's AI platform is called Xander and serves as the foundation for multiple AI-driven solutions within the platform, such as retention and performance predictors, prescriptive leadership coaching with machine learning (ML), and natural language processing (NLP) and sentiment analysis of structured and unstructured data, all in real-time. Xander AI is embedded into UltiPro's framework and can identify over 100 different emotions and 140 workplace and performance themes. Delivered templates to gather employee feedback are also included to help employers understand the organization's

overall health and sentiment by initiative (e.g., communication effectiveness, leadership performance, M&A before and after, etc.) and by how they compare with other organizations within their industry via Mercer-Sirota benchmarks. Advanced reporting and analytics capabilities are embedded, providing access to all HCM data plus the ability to combine it with external data to obtain contextual insights. The suite also includes a metadata-driven platform and rules engine, helping users tailor their experience with the solution. Recent announcements include:

- In February, the vendor announced the planned combining of Kronos and Ultimate into a single company. While the individual products will remain separate for now, the eventual combination of Kronos and Ultimate offering will provide UltiPro with enhanced workforce management capabilities, expanding the UltiPro suite.

- This year, the vendor launched UltiPro Giving—a solution that enables companies to offer employees opportunities to participate easily and conveniently in charitable giving campaigns.

- Ultimate continues to expand on its support and services model by offering Employee Pay, a service for customers where Ultimate funds, processes, and remits pay directly to their employees.

EXPERTS

Experts in the Value Matrix include ADP, Paychex, SAP SuccessFactors, and Workday.

ADP

ADP offers three multitenant HCM cloud solutions based on organization size. ADP Run is built for small businesses ranging from 1-50 employees, Workforce Now for those with 50-3,000 employees, and Vantage HCM for larger organizations with over 3,000 employees. Each solution provides users with a wide range of functionality. For example, the Turnover Probability predictive model, which can anticipate employee flight risk.

ADP continues to be a leading provider of global payroll due to its compensation analytics and benchmarking data capabilities available through the Pay Equity Explorer, which enhances EEO-1 compliance. Collaboration with the IRS for W-2 verification can reduce instances of stolen income tax refunds. Wisely Pay is another feature that leverages ADP's acquisition of Global Cash Card that has recently been expanded to include instant pay and solutions for financial wellness. In partnership with Microsoft Dynamics 365 Business Central, ADP can provide its mutual clients with combined business and HR functionality for finance,

operations, sales, payroll, time and attendance, tax services, benefits, and talent management.

Updates and announcements since the last Value Matrix include:

- In October, ADP released SMART-3(16), an enhancement to its retirement services offering that assigns third-party providers to ease the retirement planning process.

- The vendor also announced the launch of ADP Compliance On Demand, offering an easier way to measure wage compliance in employee timekeeping, scheduling, attendance, and leave.

PAYCHEX

Paychex Flex is Paychex's modular cloud HCM offering that includes functionality for payroll, core HR, benefits administration, insurance and retirement services, time and attendance, and compliance. The Paychex Flex platform is built to target small and midsize organizations and can integrate with general ledger (GL) and talent management analytics. Paychex offers payroll processing, payroll and new-hire reporting, performance management, benchmarking, onboarding, background screening, HR administration, time and attendance systems, employee benefits and benefits administration, compliance services, records administration, hiring services, business insurance, business loans, payment processing, tax services, incorporation services, and online marketing services.

The vendor's analytics functionality includes a feature called "quick answers", which eases user access to frequently viewed data. Users are also able to customize dashboards, providing them with an easy-to-understand view of analytics concerning time and attendance, hiring, benefits, labor costs, and headcount changes. Overall, the solution provides an intuitive employee self-service platform and user interface.

Updates and announcements since the last Value Matrix include:

- In September, Paychex announced updates to its payroll functionality in Paychex Flex to ease user entry. The vendor also announced the launch of Paychex Solo, a solution for business owners that allows them to improve their income tax, meet compliance in paying themselves, and make effective savings decisions.

SAP SUCCESSFACTORS

SAP SuccessFactors provides a number of applications for human capital management, including SAP Jam, an employee collaboration tool that acts as a social media platform. Additionally, the vendor offers SuccessFactors Performance & Goals, which offers trigger-

based performance management that allows employees and managers alike to request on-demand feedback, while managers are provided with access to metrics.

SuccessFactors offers a mobile iOS app that allows users to access timesheets, time-off requests and approvals, a search function, organization charts, performance management, and reviews. Additionally, recent SAP Qualtrics solutions have been introduced which cover employee engagement, employee lifecycle, and employee benefits optimization. The vendor provides functionality for candidate relationship management, as well as visa and permits management as segments of its larger recruiting solution. On-premises SAP customers can expand their solutions into the cloud through the Upgrade2Success program.

WORKDAY

Workday offers organizations a single system of enterprise cloud human capital management, financial management analytics, and planning applications. The solution can be extended through its cloud platform to fit the unique needs of organizations. Human capital management capabilities include absence management, benefits administration, compensation, learning, payroll, planning, recruiting, succession planning, time tracking, and talent management. The vendor provides strong functionality for learning, allowing employees to create, share, and view content through their internet browser or mobile device. Employers can choose third-party learning content, instructor-led training, or a hybrid of the two. Internal reports are then generated to measure the effect of the chosen programs on HCM metrics.

The vendor is new to the public cloud, and customers in Canada and parts of the U.S. can run its suite of solutions through Amazon Web Services. However, the vendor plans to continue its expansion into the public cloud to other parts of the globe, such as Germany. Workday is not recommended for organizations that have larger requirements concerning time and attendance functionality. However, it's extended functionality in other areas coupled with its partner network make it an easy choice for others.

Updates and announcements since the last Value Matrix include:

- In December, Workday acquired Scout RFP to enhance spend management functionality for procurement teams.

FACILITATORS

Facilitators in the Value Matrix include PeopleStrategy, Ramco Systems, and SumTotal Systems.

PEOPLESTRATEGY

PeopleStrategy offers a full suite of cloud-based solutions including payroll, talent acquisition, HR, benefits, performance, compensation planning, workforce management, and reporting. The platform offers web-based mobile functionality, employee and manager self-service, and a customizable navigation bar, which provides managers with easy access to information, tasks, and timelines to manage individual employees. The vendor is unique in that it primarily serves small and midsized organizations with 50 to 500 employees and is typically used across a wide range of industries.

PeopleStrategy's technology suite is modular, with the most common setup being a bundle of HR, payroll, and benefits solutions. Clients can choose to add modules as needs change. When upgraded functionality becomes available, there is virtually no risk of disruption to the existing solution as the vendor handles all upgrades. The vendor has made recent investments in usability, offering in-product tutorials and a 24/7 Online Help Desk.

Updates and announcements since the last Value Matrix include:

- In September, PeopleStrategy announced a partnership with Payfactors to enhance compensation management processes with salary survey data for small and midsize businesses.
- The vendor has partnered with ThinkHR to offer integrated risk management tools and services.
- The vendor also recently completed an enhancement to its payroll engine, resulting in significantly easier and faster payroll processing.

RAMCO SYSTEMS

Ramco Systems offers mobile-based software for HCM and global payroll that can be deployed on-premises, through the private or public cloud, or as a hybrid solution. The vendor targets specific verticals that handle combinations of standard and contract employees. The payroll platform is supported in around 45 countries but spans its reach to approximately 108 countries through global partnerships.

The vendor's HCM platform offers operational HR modules for core HR, benefits, global payroll, and time and attendance. Strategic HR modules offered through the vendor's partnerships include talent, recruitment, and performance. Additionally, the vendor offers a managed HR service with functionality for payroll, administration, employee helpdesks, and statutory lodgment services.

Ramco offers reporting and analytics across the suite's modules and offers self-service capabilities for both employees and managers in almost a dozen different languages. For example, the new calendar interface allows employees to use Outlook to make leave

requests. The vendor's mobile app provides managers with individual employee information such as leave, expenses, time management, travel management, recruitment, and payroll.

Updates and announcements since the last Value Matrix include:

- In October, the availability of Ramco's CHIA Virtual Assistant through the WhatsApp Business solution was announced to ease the strain of everyday HR tasks.

SUMTOTAL SYSTEMS

SumTotal Systems offers functionality for payroll, talent acquisition, learning management, talent management, basic core HR, and workforce management. Deployment can be SaaS-delivered through multitenant cloud, privately hosted in SumTotal, or on-premises. Customers can also opt for mixed deployments within the same organization, which allows for greater adherence to deployment requirements in certain areas and freedom to expand to the cloud in others. Platform integration allows for the consolidation of disparate business processes such as issuing training certifications and scheduling employees who obtain validation. Since its acquisition by SkillSoft, SumTotal has been able to leverage its learning content to enhance learning development throughout the employee lifecycle.

Updates and announcements since the last Value Matrix include:

- In October, SumTotal announced support for third-party social platforms through its SumTotal Intelligent Assistant (SIA)
- The vendor also unveiled an enhanced mobile experience that affords end-users better access to learning material from any device.

CORE PROVIDERS

Core Providers in the Value Matrix include Ascentis, Kronos, Paycom, Snag, and SyncHR.

ASCENTIS

Ascentis is a cloud-based HCM provider that offers functionality for core HR, payroll, time and attendance, reporting, talent management, and talent acquisition in one solution. Available through desktop and a mobile user interface (UI), the platform drives increased productivity through automation. For example, by automating compliance tasks such as filing tax information.

The Ascentis platform can seamlessly integrate with other third party HCM and financial systems and provides a high level of customization, as well as the option to purchase and

deploy only the functionality that an organization needs. Given the modularity of the solution, it is popular with smaller businesses. Customers also have the ability to switch between modules without loss of functionality. Last year, a series of acquisitions advanced the vendor's functionality for workforce management and time and attendance.

Updates and announcements since the last Value Matrix include:

- In October, the vendor announced the release of the NT8000 time tracking system. The standalone solution offers employees secure access to their information and timecard on an untethered LTE network.

KRONOS

Kronos offers customers the choice of its Workforce Ready, Workforce Central, and Workforce Dimensions suites for the unique needs of businesses in different industries. Common functionality among the solutions includes timekeeping, scheduling, data collection, analytics, core HR, and payroll. Kronos Paragon is the vendor's implementation program methodology which aims to move legacy users over to the cloud by streamlining Workforce Central implementation and continues to show steady development. The cloud-native HCM Workforce Ready suite, which targets small and mid-market clients, gives users an employee perspectives analysis platform to improve decision making by providing access to employee performance, reliability, and risk metrics.

The Workforce Dimensions suite is the first cloud-native, mobile-first solution, which leverages AIMEE, the vendor's first AI-powered engine. The vendor has recently expanded its Workforce Dimensions partner network, leveraging features from Branch, PayActiv, and Salary Finance Advance.

Updates and announcements since the last Value Matrix include:

- In October, Kronos acquired HCM provider Optimum Solutions, Inc., expanding its reach into the manufacturing, retail, and healthcare industries.
- In November, Kronos announced the release of Kronos InTouch DX, a time clock built to seamlessly integrate with the Workforce Dimensions suite and provide users with an "at-a-glance" view of their recent time punches. Additionally, notifications alert the user of any unconfirmed or unfinished shifts, thus facilitating confirmation that leads to reduced compliance risk and error.

PAYCOM

Paycom provides a number of WFM and HCM capabilities to small and midsize organizations including benefits compliance, compensation, learning, payroll processing,

planning, performance management, talent acquisition, and time and attendance in a single intuitive interface. With a unified application and database, Paycom is able to process data in real-time through the cloud. Employers are then able to view, identify, and catch candidates who are eligible for tax credits. The vendors' analytics capabilities are also built to reinforce individual organizations' compliance with various employment laws.

Paycom's Direct Data Exchange further encourages the use of analytics in management, giving employers the opportunity to pinpoint weaker performance areas and estimate costs. Machine learning functionality is leveraged in the vendor's Employment Predictor, which helps employers to leverage analytics to better recognize risk factors and anticipate employee departures. Paycom's usability makes it an easy choice for smaller organizations, while its machine learning and analytics functionality have propelled it into a more competitive space.

Updates and announcements since the last Value Matrix include:

- In December, Paycom announced Performance Evidence and Video Content Creator as updates to its learning management software. Performance Evidence aids employers in validating new hire comprehension of learning material, allowing them to create a lesson tool that employees use to convey mastery of a skill or concept. The Video Content Creator allows employers to create, upload, and share learning material at an increased rate.

SNAG

Previously known as SnagAJob, Snag offers a consolidated platform for workforce management, recruiting, onboarding, learning, performance management, and matching employers with suitable hourly candidates and hiring organizations. With Snag.work, companies in high turnover industries such as restaurant and retail can choose from a roster of background-checked and prescreened candidates, referred to as "Snaggers". When a Snagger is chosen, they can pick up shifts for employers as needed, and are then immediately compensated by Snag. The platform is currently available in Richmond, Virginia, Washington, D.C., and Charlotte, North Carolina, with plans to expand into major cities in Texas, Georgia, Florida, and Maryland.

SYNCHR

SyncHR's capabilities have a primary focus on HR, benefits administration, and payroll. The solution can track activities as they happen, allowing users to see a timeframe of their actions over any period. The vendor links HCM workflows to company roles rather than individual employees, avoiding productivity issues that may arise from internal mobility.

SyncHR offers a centralized platform, allowing for extensive use of analytics and the integration of third-party applications via APIs or MuleSoft with the vendor's cloud extensibility layer. The opportunity for customization is enticing to many users. However, the absence of native functionalities when compared to other end-to-end vendors can give the impression of weakness.

The vendor has recently rolled out updates to its cloud-based platform, which created reporting capabilities, upgraded data security, and revamped the user interface. A partnership with Hitachi Consulting also allowed SyncHR to expand its reach to the Asia-Pacific region.