Session 228
Caveat Emptor – Raising Your Technology Market IQ

Freddye Silverman
Vice President, Eastern Region
Jeitosa Group International
About the Presenter:
Freddye Silverman, HRIP

- Former VP of HR Technology Solutions at Cendant, independent consultant for five years, now VP of Client Services at Jeitosa Group
- In the HRIS field since 1986, with responsibility for HR technology strategic planning and oversight of global HR systems and the U.S. payroll system
- Active IHRIM member since 1988 and past president of the Association
- Jeitosa Group International provides global, strategic and functional human resources information technology support to Global Fortune 1000 organizations.
Level Setting

• Source credit is given

• No recommended products – vendor neutral and not all products or providers in any category may be mentioned

• Not a case study

• As always, find the best fit for your requirements, environment and culture
Agenda

• HCM Market Mania Overview
• Core HCM
• Global Payroll
• Talent Acquisition and Talent Management
• Workforce Analytics and Workforce Planning
• Enterprise 2.0
• What’s coming down the pike
Feeling like this lately???
Acquisition Activity
(since last IHRIM conference)

- HCM
  - SAP
  - SuccessFactors
  - Taleo

- HCM
  - Oracle
  - Dayforce

- HCM
  - Ceridian
  - Accero Cybershift

- HCM
  - SumTotal
  - Batrus Hollweg Intl

- TM Consulting (Hiring-Dev)
  - Kenexa

- RPO/Benefits Decision Support
  - ADP
  - The Right Thing Asparity Decision Solutions

- Workforce Analytics
  - TALX
eThority
Acquisition Activity
(since last IHRIM conference)
Number of acquisitions by Serial acquirers

Source: Ahmed Limam, Ahmed’s Universe, 9/26/11
Rebranding

What’s in a name?
Major Trends

• Corporate software is moving to the cloud
  – Companies like LinkedIn, Salesforce.com, Workday and Netsuite can serve large corporate customers
  – Workday at Rising described ‘the elastic cloud’ – ability to handle very high volume transactions caught SAP/Oracle with their pants down
  – Replacing core infrastructure software with new products; Oracle and SAP are buying their way in
  – Due to quick development cycle, we are rapidly entering ‘cloud best of breed hell’ (Ray Wang, Constellation Research)

• Integrated Talent Management software market has matured
  – Best of breed approach is much more limited due to consolidation

Source: Josh Bersin, Forbes.com
Oracle: Creating Its Own Set of Public Cloud Solutions

- Larry Ellison is on the acquisition warpath
- Acquired RightNow 10/26/11
  - Leading CRM software – 2000 customers
  - Customer service competitor of SalesForce.com
- Acquired Taleo 2/9/12
- Thomas Kurian, EVP, Oracle Development: “Oracle is moving aggressively to offer customers a full range of Cloud Solutions including sales force automation, human resources, talent management, social networking, databases and Java as part of the Oracle Public Cloud.”
- Ray Wang, Constellation Research: “Expect companies such as eGain, Moxie, Mzinga, Zuora, Xactly, and others to be targets on the buy list.”
Beware the market spin... and the bloggers

- Support of multiple cultures is not sustainable – which will win out?
- Leadership and key talent will leave – some voluntarily
- Massive change is always difficult
- Culture clash can kill the best of business intentions

“Culture beats strategy every time”
Lars Magnus Ericsson, founder of Ericsson Telecom
Why is a company acquired?

- Increase market share...move customers to a new product/platform
- Eliminate a competitor
- Enhancement of functionality, e.g. LMS buying another LMS
- Expansion of functional footprint, e.g. TM Suites
- Chess game – market perception – Battle of the Gladiators (SAP and Oracle)
Technology - the ‘new’ acquisition/partnership driver

• Buzz word compliant
  – Cloud-based
  – Scalable SaaS-based
  – Social
  – Mobile

• Boosts the profile and sets the path
  – Ceridian – Dayforce
  – SAP – SuccessFactors
  – ADP – Vantage HCM – “combo of best of breed technology and outsourcing services”

“Ultimate, a leading cloud provider of people management solutions, announced that it has partnered with Yammer, the leading provider of enterprise social networks, to seamlessly connect Yammer to Ultipro HCM.” 3/30/12
How will this affect you?

• Existing customer
  – Don’t panic! You could get years more of product use IF support remains stable. (Oracle/PSFT)
  – How invested are you? If you are happy with the product, don’t cut and run.

• Potential customer
  – Does this fit your roadmap? (Workday-Plateau-SuccessFactors)
Assess Impact Intelligently

• Is your HCM strategy and service delivery clearly defined?
  – If not, do this first!
  – If so, continue to assess fit – technology, planned development, cost model, market direction (verticals)

• Avoid a knee-jerk or emotional reaction
  – put the business first
So What – or Who – is Next?

- Technology platforms
  - .NET-ish vendors: SumTotal, Ultipro, Skillsoft, CSOD, Lumesse, SilkRoad, Kronos
  - Java-ish vendors: Peoplefluent, Saba, Kenexa, Nuview, Halogen, Workday

- On the buying end
  - Microsoft would be inclined to acquire in the .NET world
  - IBM or Salesforce would be inclined to acquire in the Java world

Source: Bennett Reddin, LinkedIn HR Technology Group
Market Churn is the New Normal

• Do not be paralyzed by the ‘what if…’
SumTotal – LMS to HCM via Acquisition

SumTotal - LMS → Click2Learn - LMS → Pathlore - LMS →

GeoLearning - LMS → Mindsolve – Perf Mgmt → Softscape – TM suite →

Accero (Cyborg)
HCM/Payroll/Benefits → Cybershift – Time and Attendance
Salesforce.com

• New to the HCM market
  – Strategy: carve out a space where social can thrive in the enterprise
  – Mining the overlap between CRM (customer relationship management) and talent management
  – No core HCM…yet

• Rypple acquisition
  – Spun it as performance management
  – In reality it is closer to ‘performance motivation’: corporate goal-setting, feedback, recognition and coaching
  – Relaunching as ‘SuccessForce’ in a new HCM BU
  – Led by John Wookey, EVP and SAP/Oracle alum

• Innovation could drive the market in a new direction

Source: Kyle Lagunas, Software Advice
Interesting Non-U.S. Entries Core HCM Market

- **Meta4** is making another stab at breaking into the U.S. market – still retains major Spanish and Latin American market share
- **Vana Workforce** – built on force.com platform for global orgs, HQ in Canada, recognized as Gartner ‘cool vendor’ for 2010
- **Kompete** – initially launched in India in 2008 as a self-service front-end to other products. Revamped as a full HR suite with payroll thru Pensoft.
Four Types of Global Payroll Providers

• Aggregators
  – Software and Service

• Adapters
  – Software Only

• Outsourcers
  – Service, with own in-house, country-specific software

• Reporters
  – Reporting capabilities
What is a Talent Management Suite?

- Talent Acquisition
- Onboarding
- Performance Management
- Learning Management
- Compensation Management
- Career Development
- Succession Planning
- Workforce Planning
- Ancillary Software, e.g. HR TMS Jobs SkillSurvey – Prehire 360
Recruiting Technology Components

• Search Engine Optimization
• Online Assessments
• Candidate Relationship Management
• Hourly Hiring
• Telephone
• Video
• Mobile Applications
• Social Media
Applicant Tracking (ATS)

- Job Posting
- Mobile
- Video
- Interview
- CRM
- Career Portal
- Workforce Planning
- Internal Mobility
- On-boarding
- Benefits
- Employee Performance Management
- Payroll
- Succession Planning
- Learning Management
- Mgmt.

Source: Elaine Orler, Talent Function Group
Candidate Relationship Management (CRM)/Sourcing

Source: Elaine Orler, Talent Function Group
Emerging Categories
LinkedIn Recruiter

• Lets corporate recruiting teams mine the entire LinkedIn professional database to find and attract people

• Widely used by more than half the world’s largest HR departments

• Has the potential to topple the market for corporate HR recruiting software
Apps are the New Job Boards

- **LinkUp Job Search Engine** – iPhone app that trawls company websites to find postings not listed on major job boards
- **Indeed** – access to millions of postings from job boards, company websites; sends personalized search results to your iPhone
- **Snapdat.com** – creates digital business cards and emails them from your iPhone to new contacts
- **Bump** – exchanges contact info electronically
- **TweetAJob.com** – tweets job openings in your field and geographic area
- **Monster.com, CareerBuilder.com, LinkedIn** all have mobile apps
Talent Management Evolution v.3

- Core HR
- Workforce Deployment
- Talent Visualization
- Payroll
- HR Service Delivery
- Benefits Mgmt
- Analytics/BI
- Career-On-Demand

SAP ERP HCM

SuccessFactors Business Execution Software (BizX)
# TM matrix

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Performance mgmt</th>
<th>Comp mgmt</th>
<th>Learning mgmt</th>
<th>Succession Planning</th>
<th>Career Development</th>
<th>Workforce Planning</th>
<th>Recruiting</th>
<th>Onboarding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taleo</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>SuccessFactors</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Halogen</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silk Road</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Lumesse</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saba</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Kenexa</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>ERPs</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Sonar6</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peoplefluent</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cornerstone</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SumTotal</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
Who’s left in the Talent Management Space?

Silk Road
Life Suite
Saba
HALOGEN SOFTWARE
KeneXa
Lumesse
Cornerstone
ON DEMAND Empowering People
peoplefluent™
Using metrics and (predictive) analytics to gain business insight. Getting the right number of people with the right skills, experiences and competencies in the right jobs at the right time.

Market players:
- eThority Data Talent
- Kronos Workforce Central
- Aruspex CAPTure
- Vemo
- Aquire (combines aspects of intelligence and planning)
- Peoplefluent
- Nakisa (workforce visualization)
- SAP
- Human Concepts (visualization and analytics)
- Saba

Business Intelligence has become a critical component of many vendor solutions: recruiting, talent management in addition to core HR functions. BI might be better understood and deployed as part of a functional area.

After 10+ years of product availability, HR still struggles with creating/understanding metrics.

Doing analytics on a foundation of lousy data is a death wish.

What’s the story?
Analytics Acquisition

• Equifax acquired eThority for its TALX unit
• Interactive Analytics, Benchmarking, Dashboards
• Verticals – Higher Ed, Healthcare, HCM, Government, Manufacturing
• A rare bird now extinct
New Analytics Entry: visier

• Founded in 2010 by BI experts including John Schwarz, former CEO of Business Objects
• Based in Vancouver and San Francisco
• Cloud-based application
• Core workforce metrics
• Predictive analytics
• Access/Measure/Predict/Share
Visier Metrics and Dashboard
Analytics

- HANA – High Speed Analytic Appliance
- Universal database that will enable companies to analyze large volumes of operational and transactional information in real time from any data source
- High processing speed
- ‘Smart application’ – will think on the user’s behalf with tools like enterprise search, text analytics, predictive analytics, event stream processing. Should produce only pertinent filtered information for users
Enterprise 2.0
Social and Mobile Applications

• Mobile has become BYOD (bring your own device)
  – Ubiquitous vs 90’s when company issued you a device
  – But..it has to be able to access company systems

• Lumesse – added mobile capabilities

• SilkRoad Point – enterprise social solution

• Jobvite – integration of social into sourcing, recruiting and tracking applicants

• Bullhorn Reach – social recruiting software

• SmartRecruiters – innovative approach to social recruiting – and it’s free!
Gamification

Old World

• Suggestion boxes – prizes
• Recognition programs
  – Enviable parking spot
  – Perfect attendance plaques
  – Picture in newsletter

New World

• Utilize collaboration infrastructure
  – Record public kudos
  – Recognize all desirable behavior
  – Earn badges for good attendance, great customer service, etc
  – Run sales contests to push old merchandise

• Motivating and fun
SaaS

• Acknowledged market winner and direction of most vendor technology roadmaps now
• ‘The technology that has enabled me to stop having to make burnt offerings to the I.T. gods for even simple lists.’
• No one wants to support heavily customized applications but companies are sometimes leery of giving them up for a less-accommodating configuration approach
• If companies want a quicker implementation, low risk upgrades and are ready to use leading practices, they will typically go for SaaS.
• If a company wants more control and the ability to customize, they will usually opt for an on-premise single instance set up.
2012-13 Predictions

- SaaS becomes mainstream and IT’s job becomes integrations
- Companies will rip and replace legacy systems even faster
- Self-service will become social, mobile and more gamified
- Talent management as a separate software category will disappear
- Mobile will soon become employees’ first contact with enterprise software
- Companies will do Master Data cleanup in order to do analytics

Source: Bill Kutik Radio Show with Jason Averbook, Naomi Bloom and Ray Wang
2012-13 Predictions - HRIS

• Most HR functions are not prepared to support the processes and technologies which the business demands today to deal with workforce issues.

• HRIS will be replaced with a function that understands process management, change branding and overall outcome-based storytelling.

• The name HRIS should be archived – newly-named HR Process and Technology Group
  – HRPT staff will be deep in program management, not project management
  – How does everything fit together?
  – Data czar, quantitative story tellers, process designers
  – Systems not deployed based on what a vendor says but rather what business outcomes require

Source: Bill Kutik Radio Show with Jason Averbook, Naomi Bloom and Ray Wang
Software Vendor Information

- **Capterra.com**
  - Filter by platform, number of users, features, number of employees, location, budget
  - List produced displays paid advertisers first, followed by complete list of all vendors in smaller print

- **CompareHris.com**
  - Complete tool, view scored list of products closely matching listed needs
  - Learn the capabilities of listed systems
  - Determine needs by weighting importance of each feature or option
  - View Detailed Comparison Screens
  - View pre-recorded Demos
  - Vendors pay to be included – not full market discovery

- **Technology Evaluation Center**
  - Respond to series of questions to determine requirements
  - Can do functionality only or also include technology requirements
  - Must do your homework before using the tool in order to get a valid answer – incorrect requirement responses lead to incorrect conclusions

- **Research and advisory firms**
  - Gartner ‘magic quadrant’
  - Forrester
  - Aberdeen
  - IDC
  - Ventana
Blogs and Conversations

• The HR Technologist (Bryon Abramowitz, KI)
• The Human Capitalist (Jason Corsello – Cornerstone on Demand)
• Naomi Bloom – ‘In Full Bloom’
• Steve Boese on HR Technology – RIT professor (steveboese.squarespace.com)
• Ahmed’s Universe (Ahmed Limam, Independent global HR technologist)
• Analyst blogs (Bersin, Gartner, Forrester)
• Use RSS feeds for easy access
• LinkedIn – HR Technology groups
• Twitter
• Filter the facts from the buzz
Caveat Emptor

• The 80/20 rule applies
  – In most cases 80% of the functionality will be common
  – What’s that 20% difference and does it matter to you?
  – A long list of features doesn’t matter unless they match your requirements

• Use scenario-based requirements for demos
  – Send to the short-list vendors ahead of time so they can prepare
  – Allow the requisite exec summary and system overview
  – Always remember what your drivers are
  – Make sure all scenarios are addressed
  – Save the glitz for last and be a healthy skeptic (demos are meant to be smooth)

• Reality checks
  – Search reference lists for comparable situations – software versions, services selection, consultant roles
  – Bad marriages lead to ugly divorces
  – Best practices aren’t necessarily the ‘best’ for your company (leading practices)
  – Beware the stylish haircut – look in the mirror and make an honest self-assessment
And if you think the HR Technology market is confusing...
Thank You!

Questions or Comments?

freddye.silverman@jeitosa.com

443-956-0656
For more information on this or any other HR technology topic go to

CORE
The center of the IHRIM community
IHRIM needs your feedback!
Please complete a session evaluation for

Session 228
Caveat Emptor – Raising Your Technology Market IQ

Freddye Silverman
VP, Eastern Region
Jeitosa Group Intl

Thank you!