

# **Session 285**

## **Caveat Emptor – Raising Your HRIS Market IQ**

Freddie Silverman  
Principal  
Silver Bullet Solutions

# Freddie Silverman

- Qualifications to present on this topic
  - Former VP of HR Technology Solutions at Cendant, now independent consultant
  - 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
  - Third year of this conference session
- Information About Company
  - Independent consultant specializing in strategic planning, software selection, organizational/operational analysis and project management



# Level Setting

- Not a market analyst presentation but source information was collected from niche experts – see source credits
- 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



# Definitions

**A Human Capital Management (HCM) System** is any software or suite of software used to automate a functional area of Human Resources.

**Integrated Talent Management (ITM)** is a comprehensive approach to maximizing workforce performance and productivity by deploying integrated processes and enabling technologies.

**Talent Management Suites (TMS)**

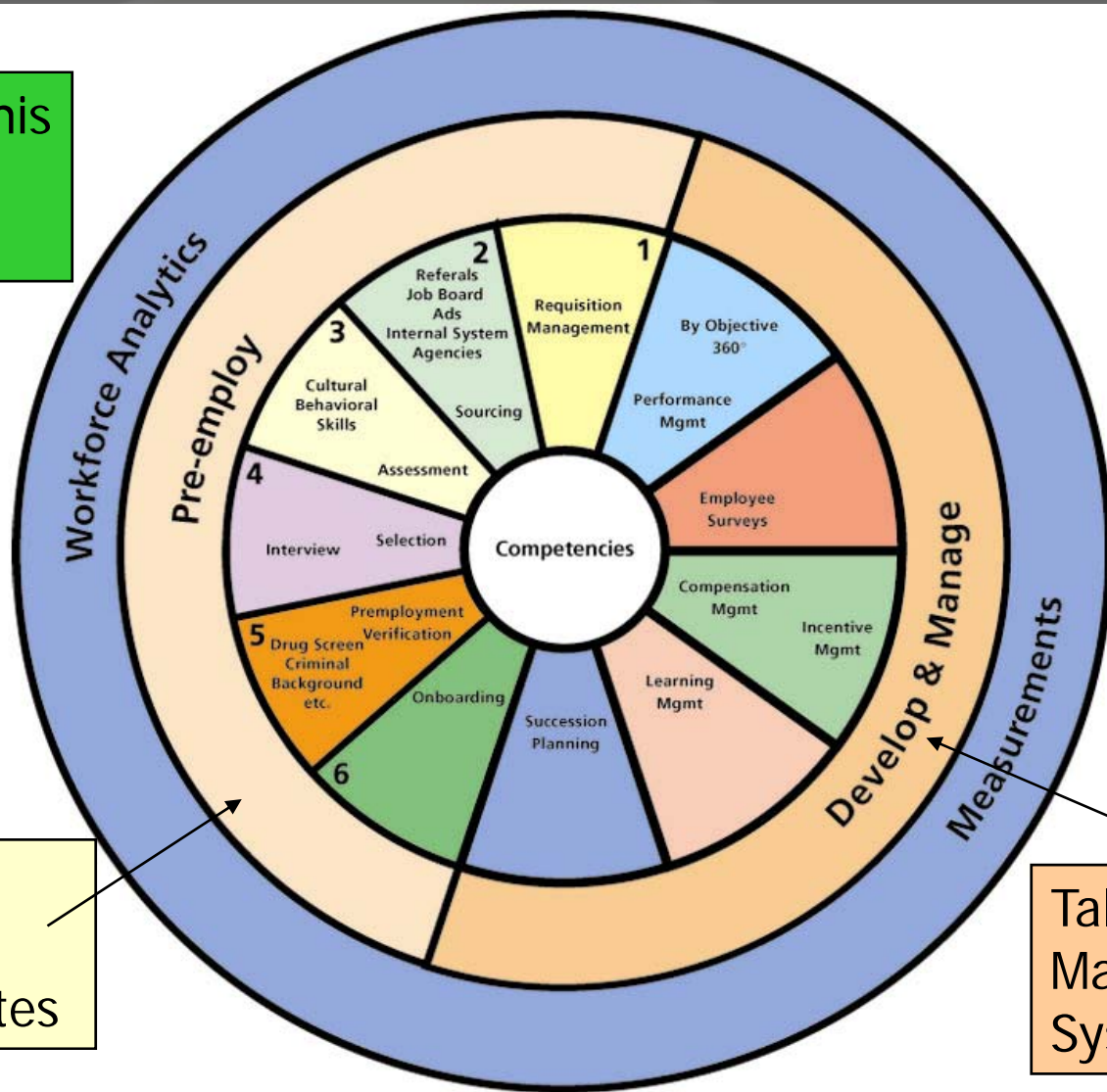
**Talent Acquisition Suites (TAS)** deliver two or more functional areas in a (presumably) integrated manner.

## HCM System Examples

- HR Management
- Payroll
- Benefits Management
- Time & Attendance
  
- Talent Management:
  - Compensation Management
  - Performance Management
  - Succession Management
  - Learning Management
  - Competency Management
  - Career Development/Planning
- Talent Acquisition
  - Recruiting, Hiring, Onboarding

# Graphically speaking...

HCM –all of this plus core systems



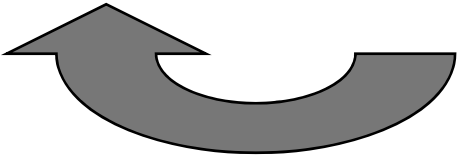
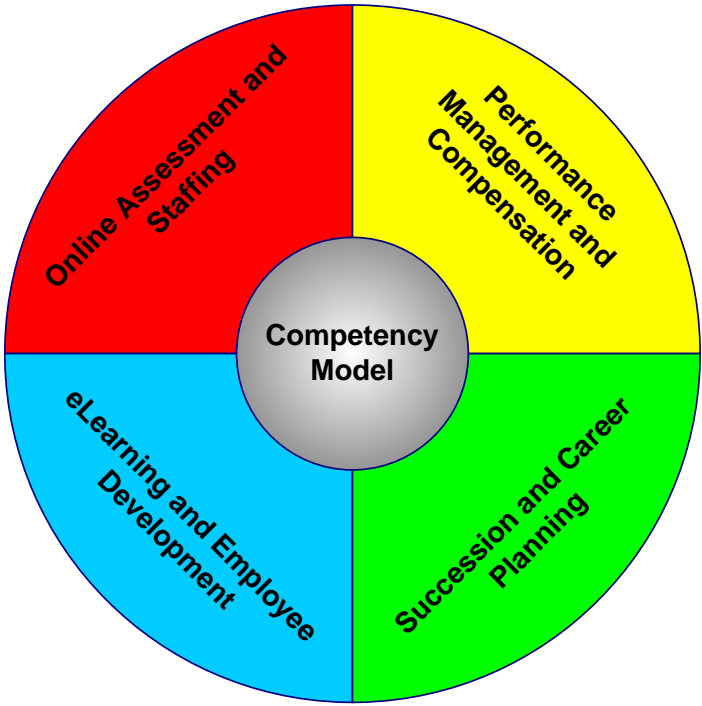
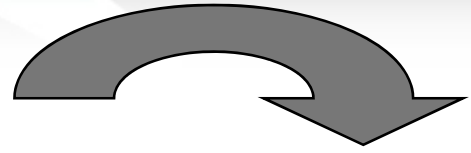
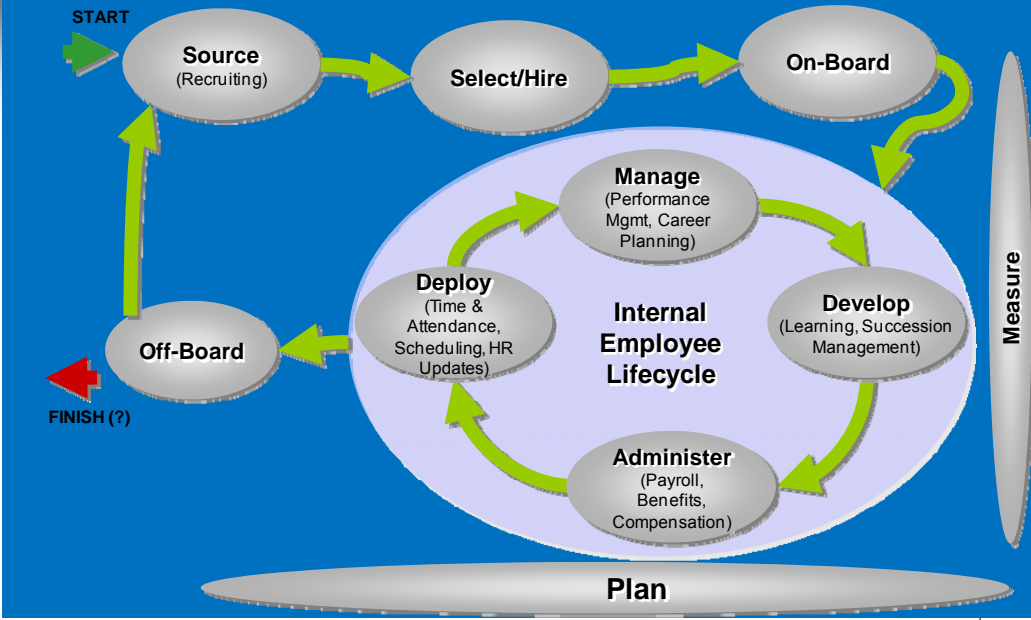
Talent Acquisition Systems/Suites

Talent Management Systems/Suites

Source: HR.com



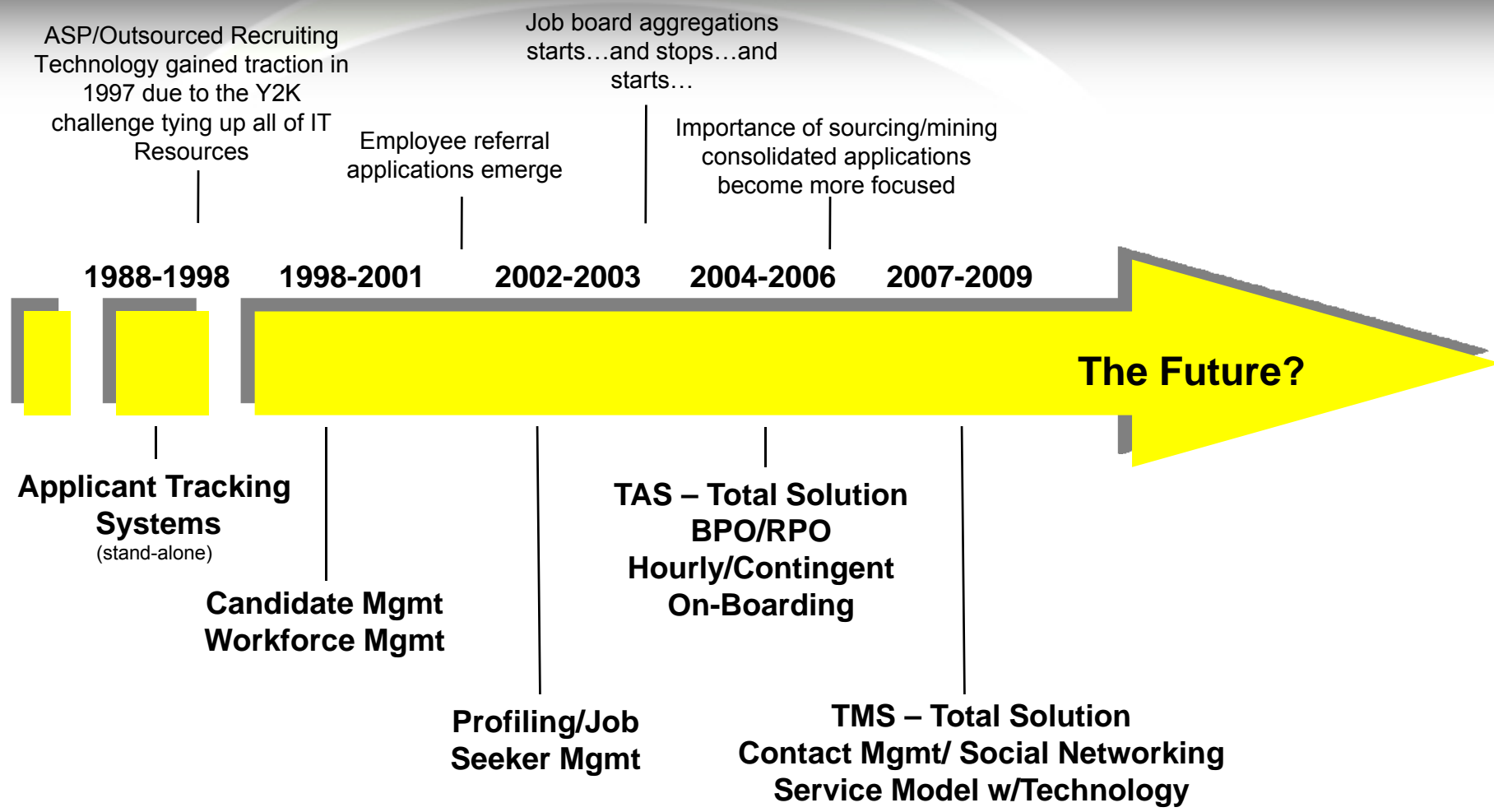
# Competencies as core throughout the workforce life cycle



Source: Rick Fletcher HRchitect



# The Evolution of Talent Acquisition

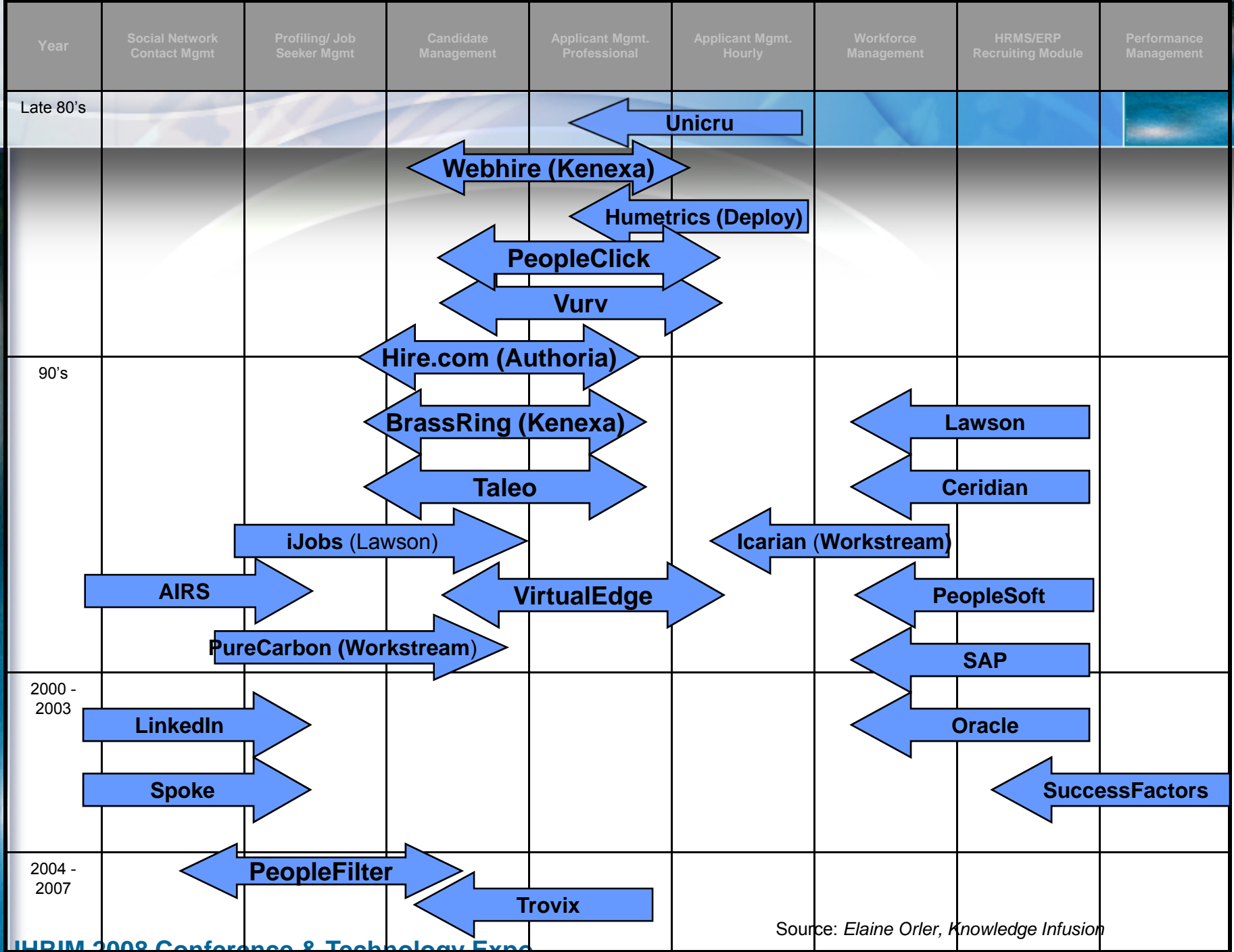


Source: Elaine Orlor, Knowledge Infusion

# TAS Vendor Growth by Acquisition

- 2002
  - iJobs by Lawson
  - Resumix by HotJobs
- 2003
  - Personic by Unicru
  - PureCarbon by Workstream
  - Icarian by Workstream
- 2003
  - RecruitingSolutions by Ceridian
  - HotJobs/Resumix by Yahoo!
- 2004
  - Humetrics by Deploy
  - KnowledgePoint by Vurv
- 2005
  - Hire.com by Authoria
- 2006
  - BrassRing by Kenexa
  - Webhire by Kenexa
  - Unicru by Kronos
  - VirtualEdge by ADP
- 2007
  - People Business Network by Vurv
  - Deploy by Kronos
  - Wetfeet by Taleo
- 2008
  - AIRS by The Right Thing
  - Workstream by Empagio

Source: Elaine Orler, Knowledge Infusion



Source: Elaine Orlor, Knowledge Infusion

# Talent Acquisition Software Differentiators

## “Bells and Whistles”

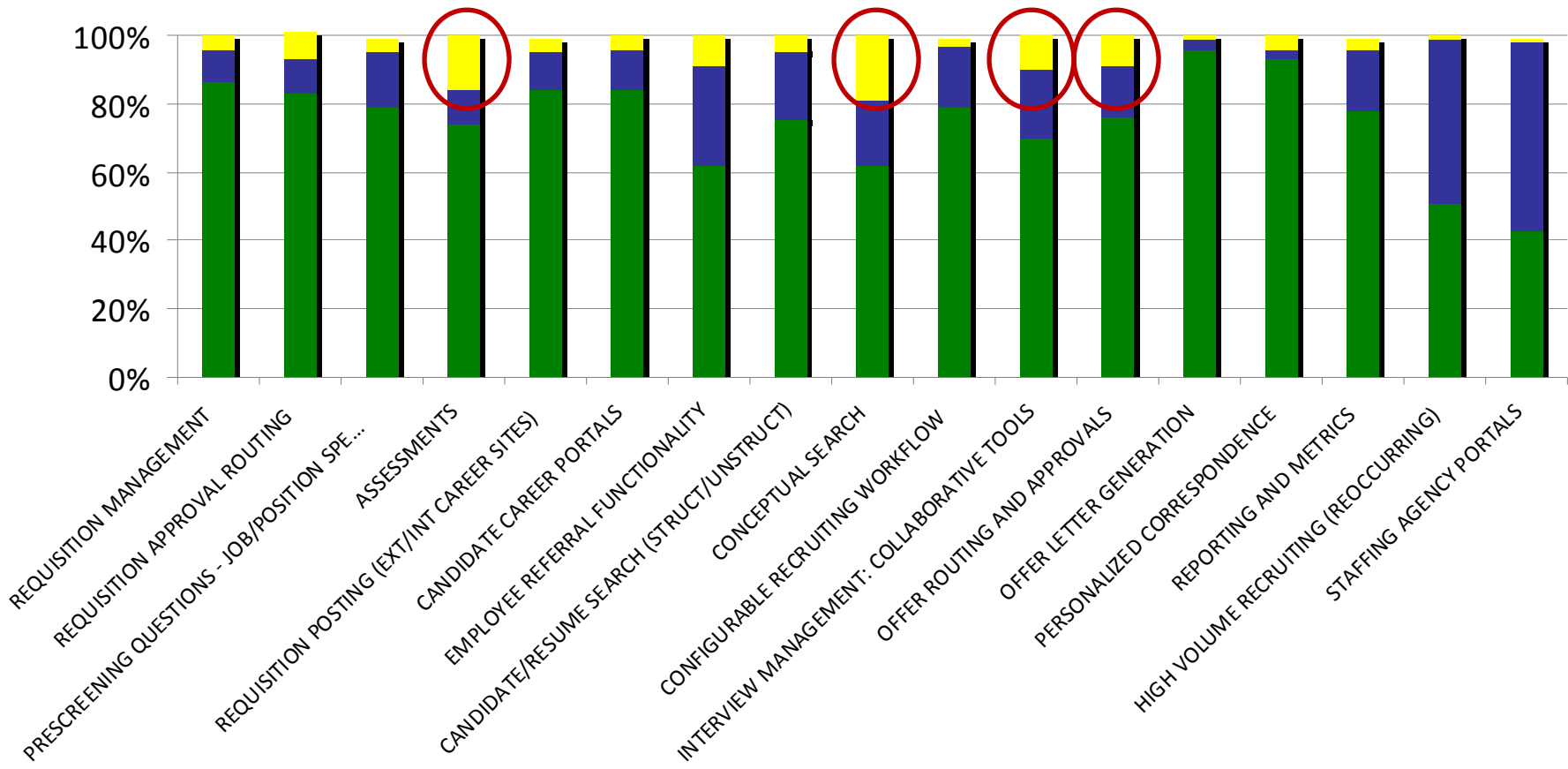
- Conceptual search
- Pre-screening/  
assessment testing
- Configurable portals
- Calendar/email integration
- Compliance reporting
- On-boarding
- Reporting & analytics
- Recruiter personalization
- Contact management
- Workflow & alerts flexibility

Source: *Rick Fletcher, HRchitect*



# Talent Acquisition Product Direction

■ % Yes   ■ % No   ■ % Planned



Source: ERE Talent Acquisition Buyers Guide 2007

# Grabbing Market Share

“I’ll name names...  
Brass Ring and Taleo both called themselves Talent Management vendors when in fact they were only recruiting management vendors. It confused the market.”

***Bill Kutik***

HR Executive Technology Columnist, OHUG  
Conference, September 2007

# Market – solidifying but still confusing

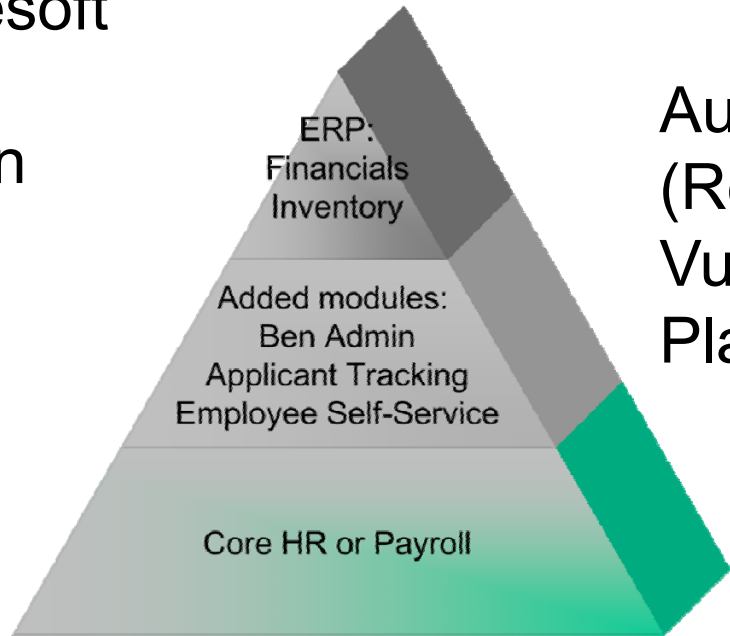
Authoria  
Taleo  
(technology)

Googling  
'Talent Management  
Solutions' produced  
**135,000 (2007)**  
**88,700 (2008)**  
results

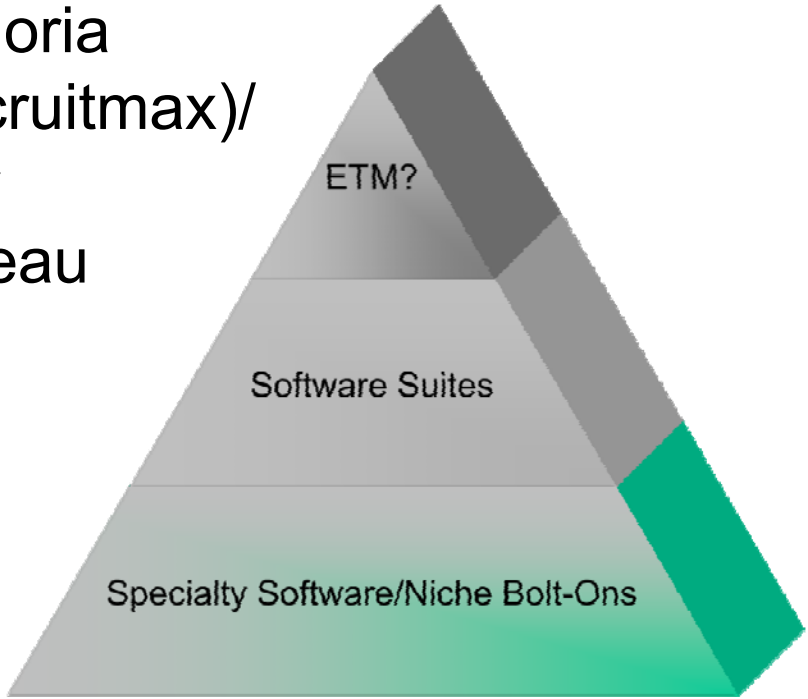
Lee,  
Hecht,  
Harrison  
(career  
mgmt svcs)

# History repeats itself...

Peoplesoft  
Oracle  
Lawson  
SAP



Authoria  
(Recruitmax)/  
Vurv  
Plateau



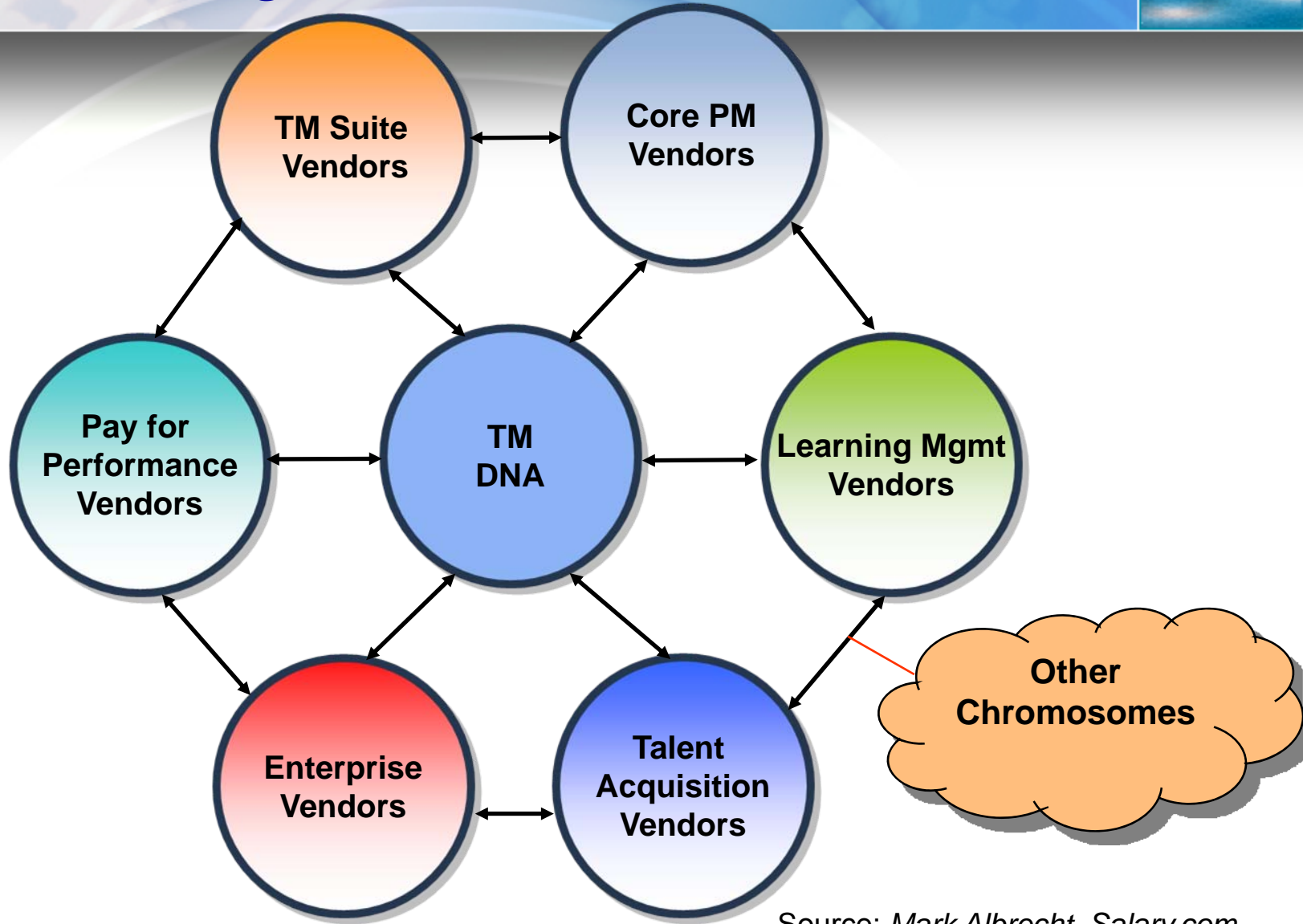
Lots of vendors claim they offer an integrated TM suite but no one's really there yet. ERP vendors' efforts to update their TM functions may enable them to catch up with the niche vendors but it may not happen for three years.

***Jason Corsello, Knowledge Infusion***

There's so much churn in this industry. There are too many vendors trying to do the same thing...Take a hard look at the implications of choosing a vendor who may not be around next year.

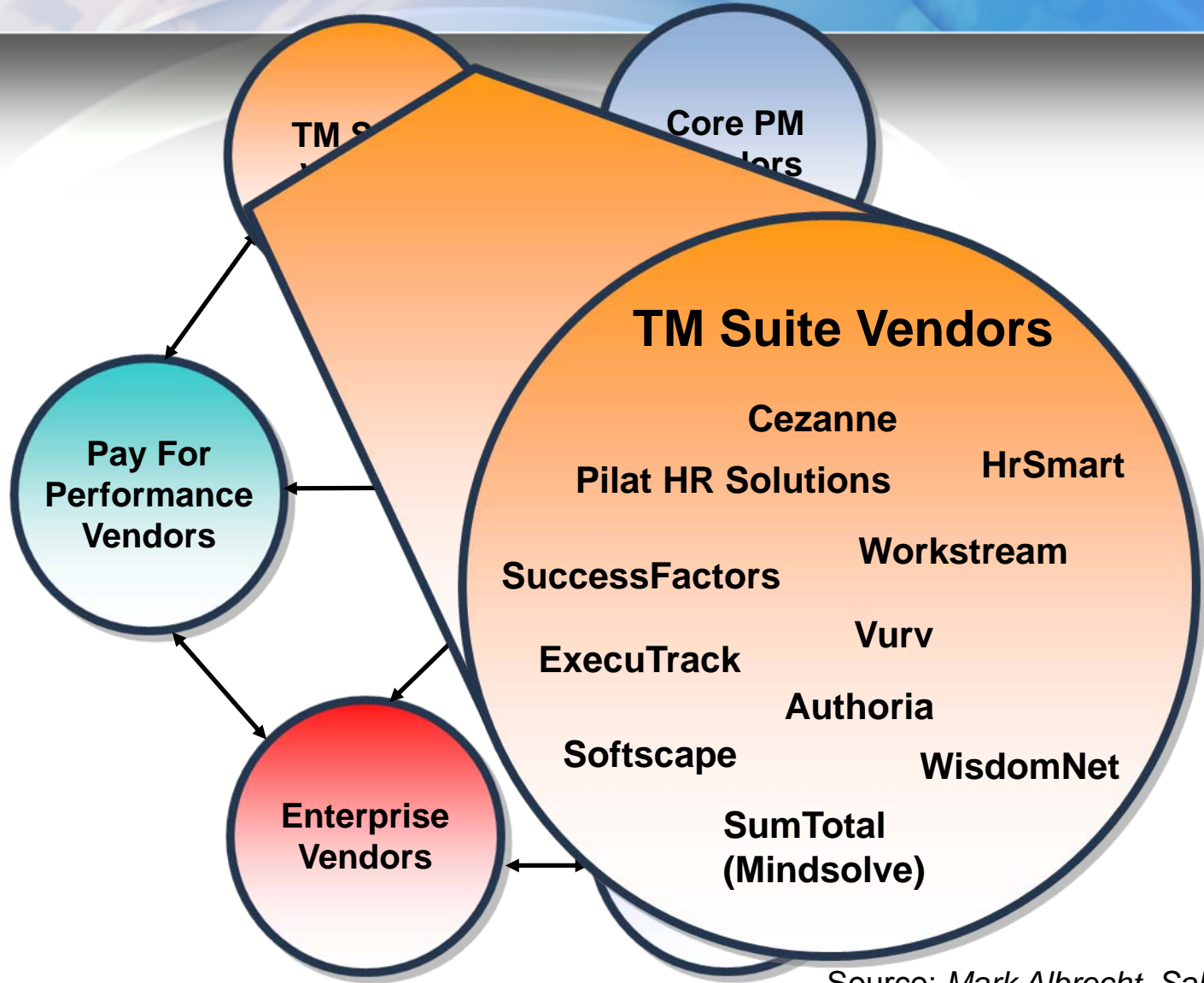
***Naomi Bloom, Bloom & Wallace***

# Talent Management Vendor DNA



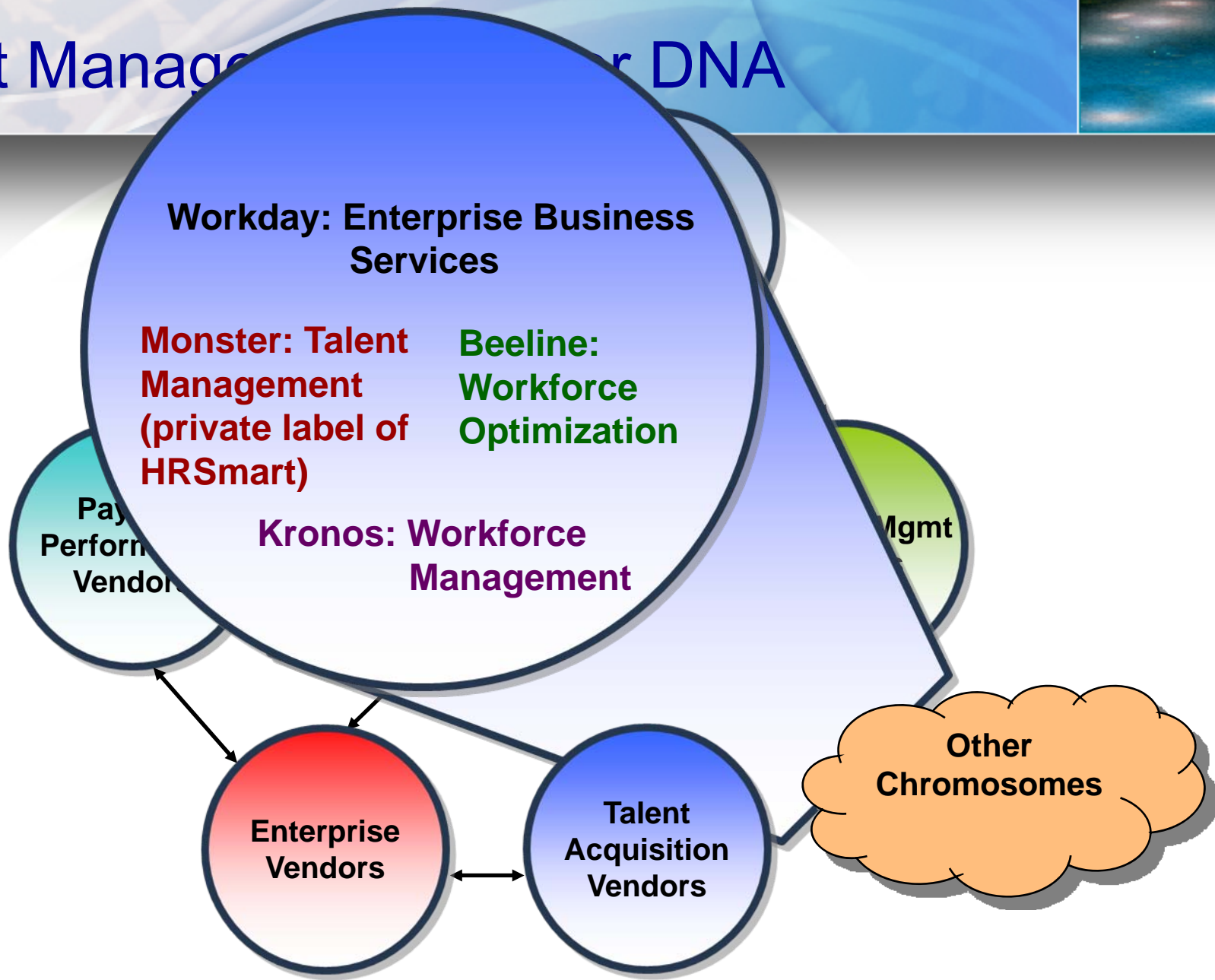
Source: Mark Albrecht, Salary.com

# Talent Management Vendor DNA



Source: Mark Albrecht, Salary.com

# Talent Management for DNA



# Talent Management Vendor Framework

Key Functionality		Talent Management Suite Vendors	Core Performance Management Vendors	Pay For Performance Vendors	Enterprise Vendors	Learning Management Vendors	Talent Acquisition Vendors
Basic Components							
Advanced Components							
Pay – Perf. Components							
Talent Acq. Components							

**Talent Management  
Competitive Landscape**

**Caveat: Update!**

TM Suite Vendors		Success Factors	Softscape	Cezanne	SumTotal Systems (Mindsolve)	WisdomNet	SilkRoad Tech. (HAT)	Pilat HR Solutions	ExecuTrack Solutions	Workstream	HR Smart	Authoria	Vurv (Inscope)
Key Functionality													
Basic Components	Company level goals, cascading	Y	y	Y	Y	Y	Y	Y		Y		y	Y
	Employee goal setting, monitoring	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Employee performance appraisal	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Multi-rater or 360 degree feedback	Y	Y	Y	Y	Y	Y	Y	Y	Y			Y
	Development planning/training	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Advanced Components	Succession planning	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Talent management, career planning	Y	Y	Y	Y	Y	y	Y	Y		Y	Y	Y
	Competency management	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Learning management	Y	Y	y	Y	Y				Y	Y	Y	Y
Pay – Perf. Components	Compensation management	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	y
	Incentive management	Y	Y		y		Y			Y		Y	
	Survey data management									y	y	y	
	Market data												
Talent Acq. Components	Sourcing	Y	Y	Y		Y	Y			Y	Y	Y	Y
	Assessment & Selection	Y	Y	Y		Y	Y			Y	Y	Y	Y
	Applicant Tracking	Y	Y	Y		Y	Y			Y	Y	Y	Y
	On-boarding	Y					Y				Y		Y

Key Functionality		Core PM Vendors					Pay For Performance Vendors			
		Halogen	Kenexa	Vision2Reality	RTIX	Organization Metrics	Salary.com	Workscope	Syngy	Decusoft (CadreHR)
Basic Components	Company level goals, cascading	Y	y	Y			Y	Y	Y	y
	Employee goal setting, monitoring	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Employee performance appraisal	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Multi-rater or 360 degree feedback	Y	Y	Y	Y	Y	y	Y	Y	Y
	Development planning/training	Y	Y		Y	Y	Y	y		Y
Advanced Components	Succession planning	Y				Y		Y		Y
	Talent management, career planning									
	Competency management	Y	y		Y	Y	Y	y		
	Learning management									
Pay – Perf. Components	Compensation management	Y					Y	Y		Y
	Incentive management						Y	Y	Y	y
	Survey data management						Y			Y
	Market data						Y			
Talent Acq. Components	Sourcing		Y							
	Assessment & Selection		Y			Y				
	Applicant Tracking		Y							
	On-boarding		Y							

Key Functionality		Talent Acquisition Vendors											
		Taleo	VE (ADP)	BRS (Kenexa)	Peopleclick	Deploy	iCIMS	Hodes IQ	Sonic Recruit	HireDesk	First Advantage	Peoplefilter	Trovix
Basic Components	Company level goals, cascading												
	Employee goal setting, monitoring												
	Employee performance appraisal					y							
	Multi-rater or 360 degree feedback												
	Development planning/training												
Advanced Components	Succession planning												
	Talent management, career planning												
	Competency management											Y	
	Learning management												
Pay – Perf. Components	Compensation management												
	Incentive management												
	Survey data management												
	Market data												
Talent Acq. Components	Sourcing	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Assessment & Selection	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Applicant Tracking	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	On-boarding	Y	Y	Y	Y	Y	Y		Y		Y	Y	

Key Functionality		Enterprise Vendors			Learning Management Vendors				Other Vendors				
		SAP	Oracle	Saba	SumTotalSystems	Knowledgeplanet	Genesys PeopleComeFirst	Plateau	Cornerstone	Monster	Kronos	Workday	Beeline
Basic Components	Company level goals, cascading	y		Y	Y	Y	Y	Y	Y			Y	Y
	Employee goal setting, monitoring	Y	Y	Y	Y	Y	Y	Y	Y	Y	y	Y	Y
	Employee performance appraisal	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Multi-rater or 360 degree feedback	y	Y	Y	Y	Y		Y	Y				Y
	Development planning/training	Y	Y	Y	Y	Y	Y	Y	Y	Y	y		Y
Advanced Components	Succession planning	Y		Y	Y			Y	Y	Y			Y
	Talent management, career planning	Y	Y	Y	Y		Y	Y	Y	Y	y		Y
	Competency management	Y	Y	Y	Y	Y	Y		Y	Y	y	Y	Y
	Learning management			Y	Y	Y	Y	Y	Y	Y			
Pay – Perf. Components	Compensation management	Y	Y					Y		Y	y		Y
	Incentive management	Y	Y										
	Survey data management									y	y		
	Market data												
Talent Acq. Components	Sourcing	Y	Y							Y	Y		Y
	Assessment & Selection	Y	Y							Y	Y		Y
	Applicant Tracking	Y	Y							Y	Y		Y
	On-boarding	Y	Y								Y		

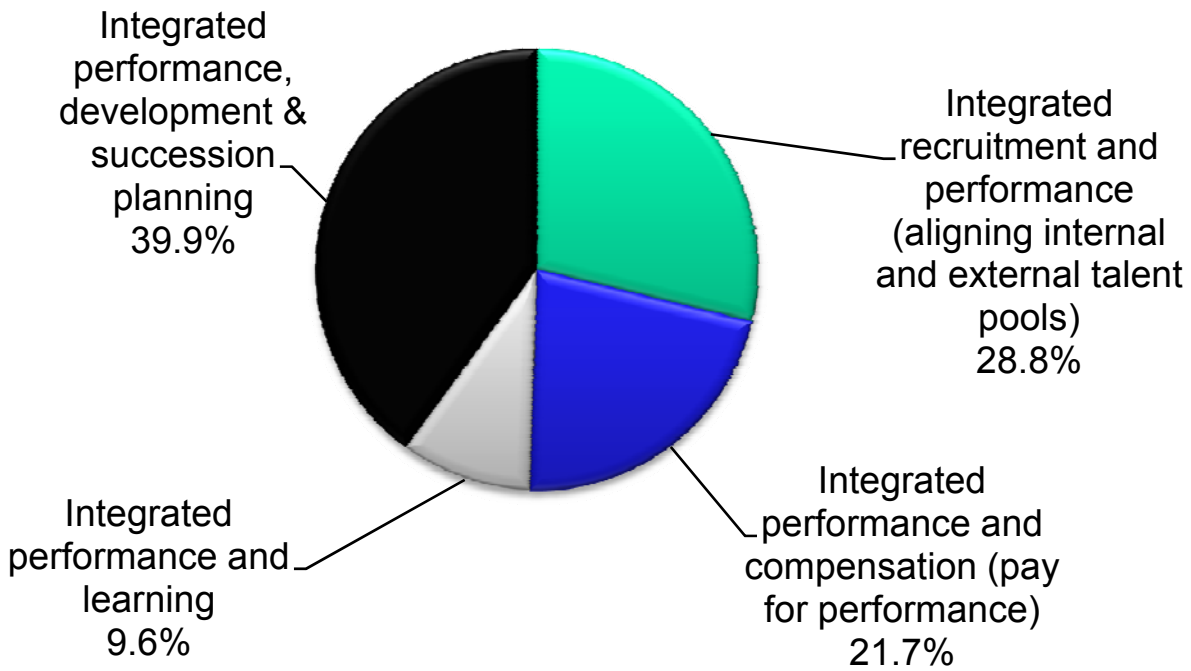
# Objective Vendor Analysis – What are your decision drivers?

Decision Drivers	Weight	Vendor A	Vendor B	Vendor C	Vendor D
Vendor Viability	XX%				
Usability	XX%				
Functionality	XX%				
Technology	XX%				
Configurability	XX%				
Scalability	XX%				
Global Capability	XX%				
Integration	XX%				
Cost/ROI	XX%				

Source: Rick Fletcher, HRchitect

# Companies Today Focusing on Integrated Performance, Development & Succession Planning

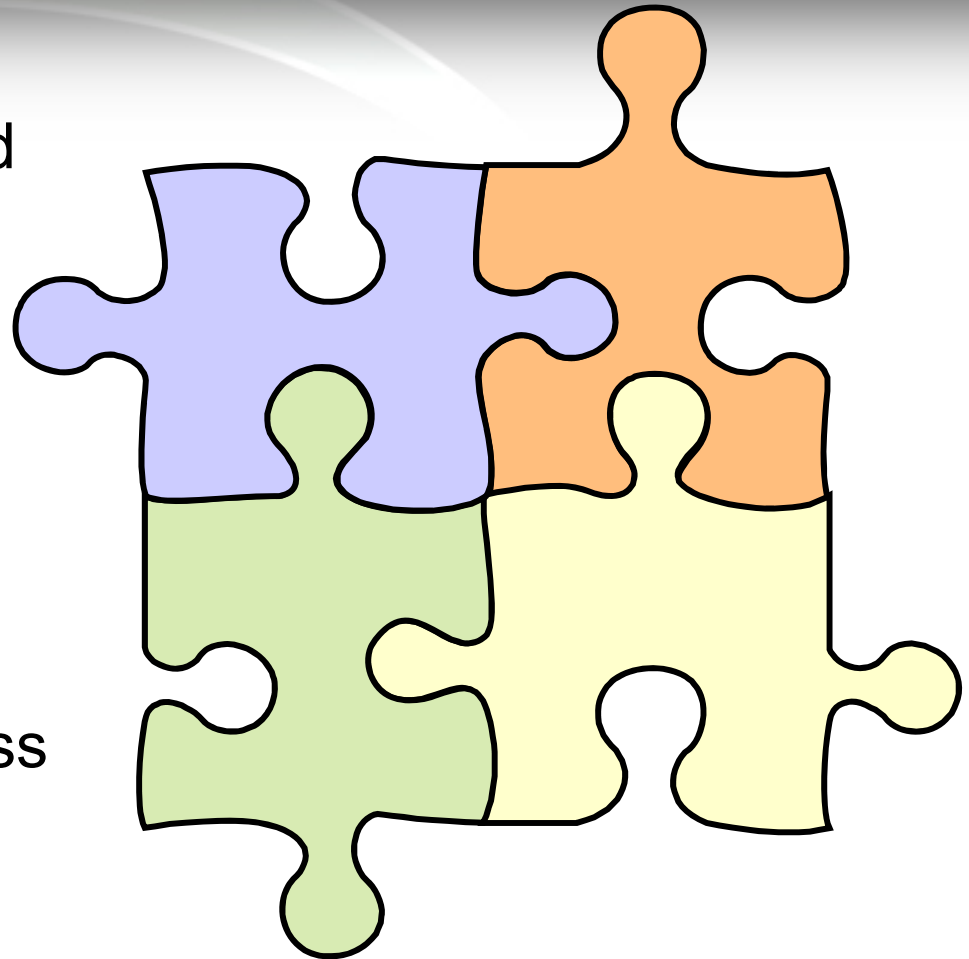
## Which areas of integrated talent management are currently most important to your organization?



Source: Knowledge Infusion & HR Executive © Talent Management Suite Adoption Survey N = 313

# What does 'Integration' mean to you?

- Single data model/shared database
- Streamlined navigation
  - Common gui
  - Single sign-on
- Information-sharing across functions



# ITM – Pulling it all together



**Siloed apps produce sub-optimal results**

# Why ITM? Learning Linkages



- To Performance
  - Learning events addressing performance gaps
- To Compensation
  - Drive skill based pay
- To Succession Planning
  - Who needs what to move up
- To Career Development
  - Learning requirements to get an employee to the next job(s)

# New kid on the integration block: Time & Attendance/ Workforce Management

Workforce Mgmt Element	Best-in-Class	Average	Laggard
Payroll	86%	79%	66%
Scheduling	79%	53%	34%
Compensation	78%	67%	50%
Workforce Planning	71%	37%	37%
Performance mgmt	70%	55%	36%
Labor budgeting	68%	53%	25%
Workforce Analytics	59%	27%	22%
Learning & development	53%	39%	32%
Competency & assessments	35%	23%	13%

Source: Aberdeen Group, *Evolving Time & Attendance*, 2008

# What benefits does Time and Attendance integration produce?

## Employee-facing:

- Accurate paychecks
- Improved communication about schedules and time worked
  - Result: increased employee satisfaction → retention



## Internal Ops:

- Accurate reporting (e.g. overtime as a % of total labor)
- Increased scheduling capabilities
  - Result: better labor forecasting



# Vendors span all markets and platforms

- Kronos
- ADP
- Ceridian
- Timelink
- Kaba Workforce Solutions
- Cybershift
- Timeclock Plus
- Unitime
- Optimum Solutions
- ERP vendors

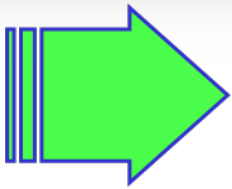


# Evolving the Buying Cycle

**Traditional Buying Cycle...**

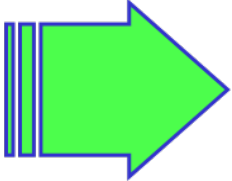
**...To Buying Software in 2008**

**Making the "Business Case"**



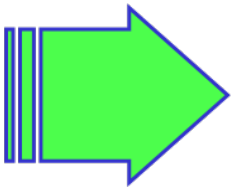
**Building a "Business Plan"**

**Focus on Functional ROI**



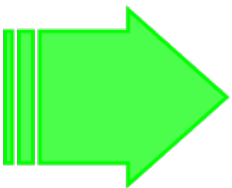
**Dedication to Business Value & Impact**

**Business Process-Centric**



**Focus on User Experience & Integration**

**Capital Expenditure**



**Operating Expenditure**

**Going from a 12 Month Cycle...**

**...To a 3 Month Cycle**

# Deployment Options

- SAAS
  - Software as a service, “right to use” vs license
  - Subscription model – multitenancy
  - Web-based software
  - Not ASP – limited to configuration not customization
- Hosted License
  - Outsource the infrastructure without giving up ownership
  - Personalization of application
  - Example: Oracle on Demand
- Buy and maintain internal infrastructure
- Build and maintain internal infrastructure



# Software as a Service

## Pros

- Different cost structure
  - No upfront license fee
  - No annual maintenance
- Eliminate server management
  - No hardware purchase
  - No/minimal IT involvement
- Quicker startups – faster ROI
- Ease of deployment
  - Rapid changes in features with efficient delivery
  - No internal testing – upgrades delivered overnight

## Cons

- Long term contract
  - Rental – never owned
  - ‘PEPM’ cost model less advantageous for large clients
  - Can cost more long-term
- Multi-tenancy limitations
  - Configurability may not be sufficient
  - Conformity to vendor’s ‘best practices’ – BPR required?
- Customer service can be a challenge
- Security concerns

# Other Considerations

## *Population*

- Mature (Veterans): born between 1925 and 1946
- Baby Boomers: born between 1946 and 1964
- Gen X'ers (Baby Busters): born from 1965-1977
- Generation Y's (Millennials/Nexter's): born after 1978

Age vs Adaptability:  
Do you wear a watch?...  
“Digital natives” vs “Digital immigrants”

## *Culture – Social Networking?*

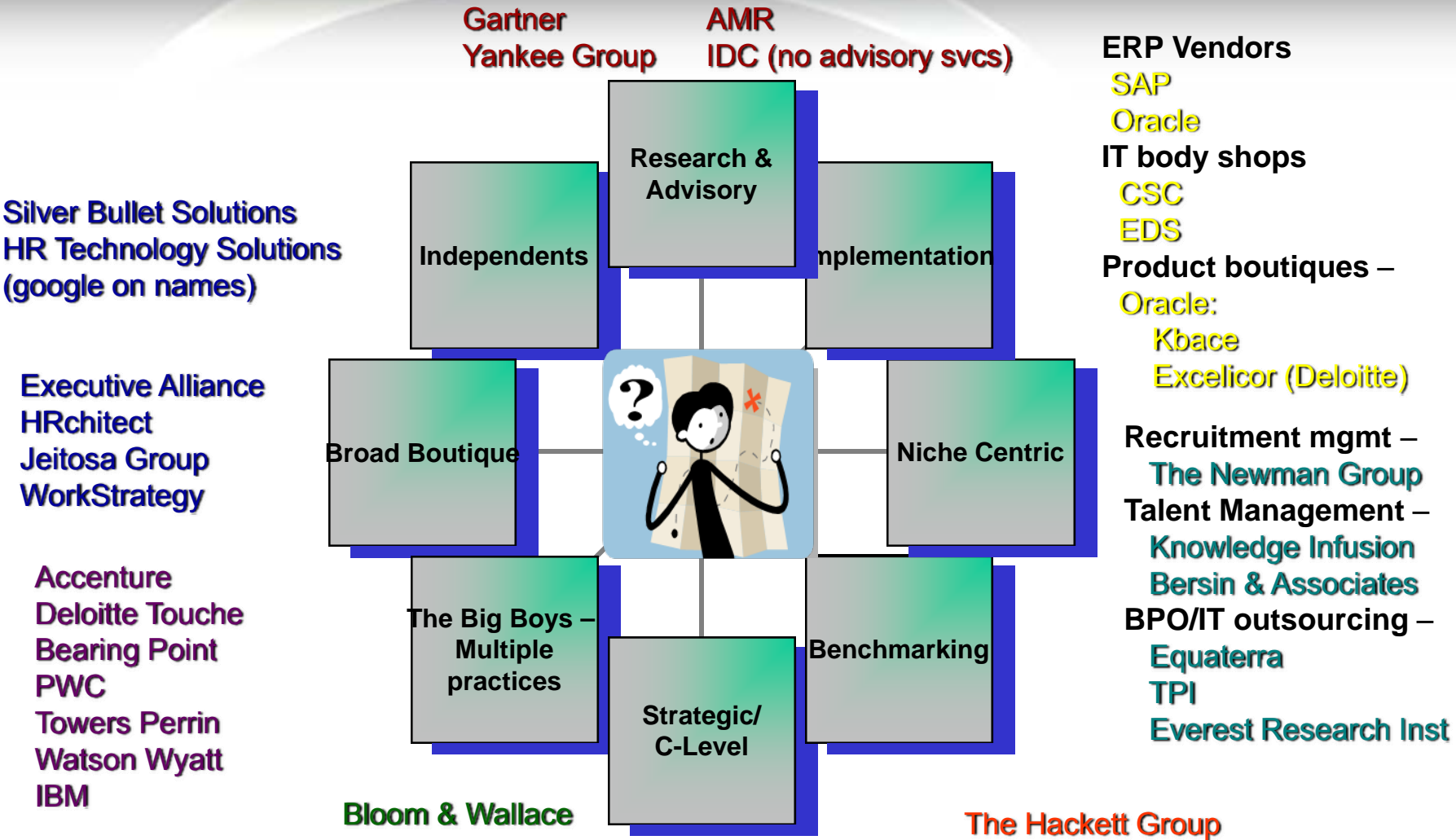
- Personal
  - Blogs
  - Wikis
  - MySpace
  - Facebook
  - AOL IM
- Professional
  - Linked In
  - HR.com
  - Select Minds  
(closed corporate social network software)
- **Second Life** (IBM uses it internally)

# Popular Technology Enablers: “Reach them where they are”

Technology	Best Application	Limitations
<i>IVR/Speech Recognition</i>	Any application when internet not available	Small amounts of data Short sessions
<i>Web</i>	Almost all applications	Availability of internet
<i>Fax</i>	Where paper still required	Cost Access
<i>Biometrics</i>	Authentication	Cost Access
<i>PDA/Cellphone</i>	Download data needed Broadcast info	Small amounts of data Cost

Source: Michael Smith, TALX

# The Consulting Landscape



# Caveat Emptor

- **Don't fall for the flashy presentation – be a healthy skeptic**
  - ✓ use scripted demos and real business scenarios
  - ✓ a long list of features doesn't matter unless they match your requirements
- **Search reference lists for current users who are reasonably comparable to your situation**
  - ✓ If software, what version?
  - ✓ If services, what selection?
  - ✓ If consultants, what role? (staff augmentation, full outsourcing) Look for the 'personal click'
- **If they don't look or smell like you then the reference is purely academic**
  - ✓ limited applicability
  - ✓ best practices aren't necessarily the 'best' for your company
- **Watch out for that stylish haircut...**



# Take heart...even the mighty have had to raise their market IQs along the way!

- "Who in their right mind would ever need more than 640k of ram!?"  
-- Bill Gates, 1981
- "I think there is a world market for maybe five computers."  
--Thomas Watson, chairman of IBM, 1943
- "There is no reason anyone would want a computer in their home."  
--Ken Olson, president, chairman and founder of Digital Equipment Corp., 1977
- "The concept is interesting and well-formed, but in order to earn better than a 'C,' the idea must be feasible."  
--A Yale University management professor in response to Fred Smith's paper proposing reliable overnight delivery service. (Smith went on to found Federal Express Corp.)



***OOPS!***

# And the misjudgments weren't limited to technology...

- "Who the hell wants to hear actors talk?"  
--H.M. Warner, Warner Brothers, 1927.
- "A cookie store is a bad idea. Besides, the market research reports say America likes crispy cookies, not soft and chewy cookies like you make."  
--Response to Debbi Fields' idea of starting Mrs. Fields' Cookies.
- "[Television] won't be able to hold on to any market it captures after the first six months. People will soon get tired of staring at a plywood box every night."  
Darryl F. Zanuck, head of 20th Century-Fox in 1946.
- "We don't like their sound, and guitar music is on the way out."  
--Decca Recording Co. rejecting the Beatles, 1962.



To sum it up....

***Do your homework and  
be an intelligent consumer***



For more information on this topic

**Go to [www.ihrim.org](http://www.ihrim.org)**

**Learning Center**

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**Session 285**

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Freddie Silverman  
Principal, Silver Bullet Solutions  
[freddie.silverman@gmail.com](mailto:freddie.silverman@gmail.com)

***Thank you!***