

HFS Top 10 Workday Human Capital Management (HCM) Services 2021

Excerpt for PwC
February 2021

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A successful Workday HCM deployment adopts an HCM transformation approach. Ideally, an enterprise is prepared for the change, has access to value-added tools to facilitate fast and tailored deployments, and understands the importance of ongoing support and optimization services. Service providers that adopt a holistic, consultative, and proactive approach to Workday HCM engagements will be the ultimate leaders in this market.

—*Khalda De Souza, Research Director*

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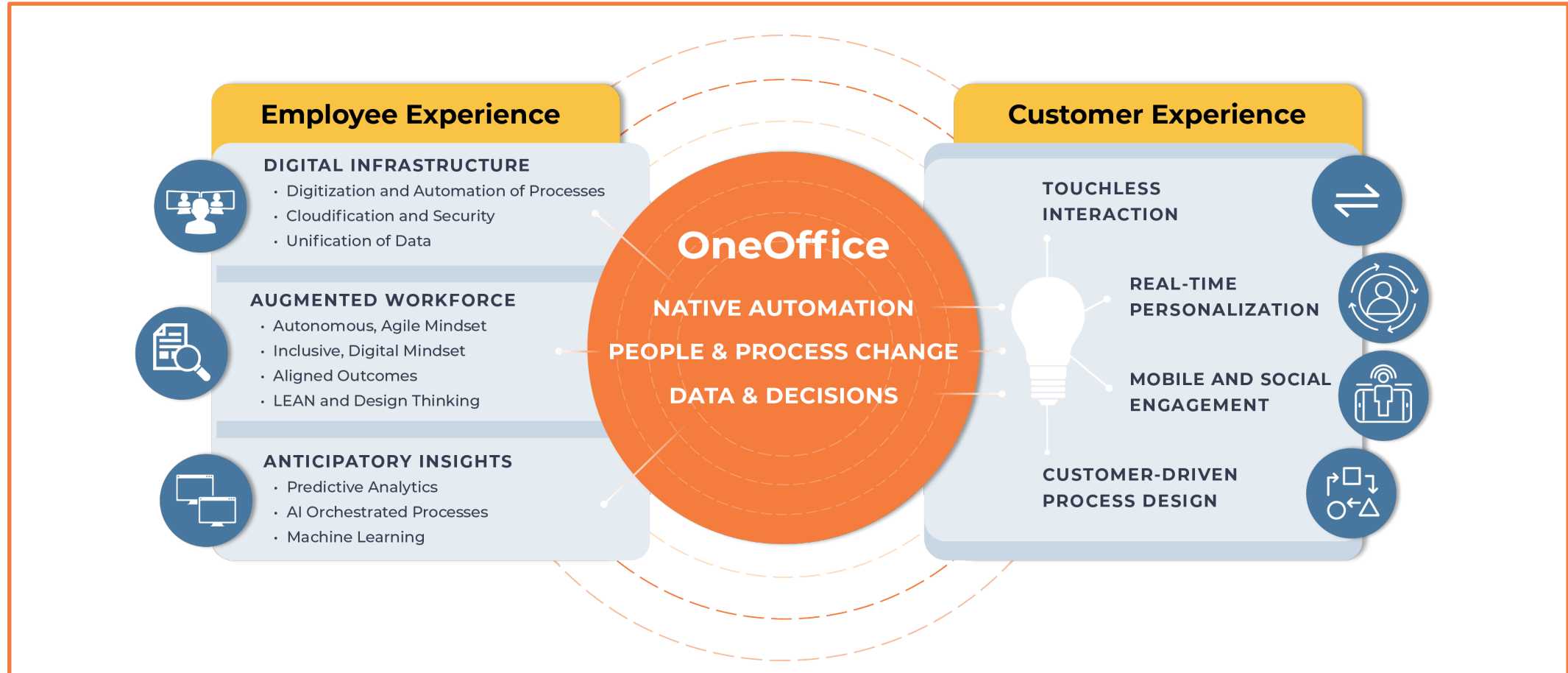
Introduction, definitions,
and research methodology

Introduction

- The *HFS Top 10 Workday Human Capital Management (HCM) Services 2021* report continues our theme of looking at the services sets for the planning, implementation, and management of leading software-as-a-service platforms.
- The *HFS Top 10 Workday Human Capital Management HCM Services 2021* report is an update of the HFS Workday HCM Services Blueprint report published in 2018. HFS collected data in the second half of 2020.
- We included 11 service providers in this research. We spoke with 35 client references provided by the participating service providers.

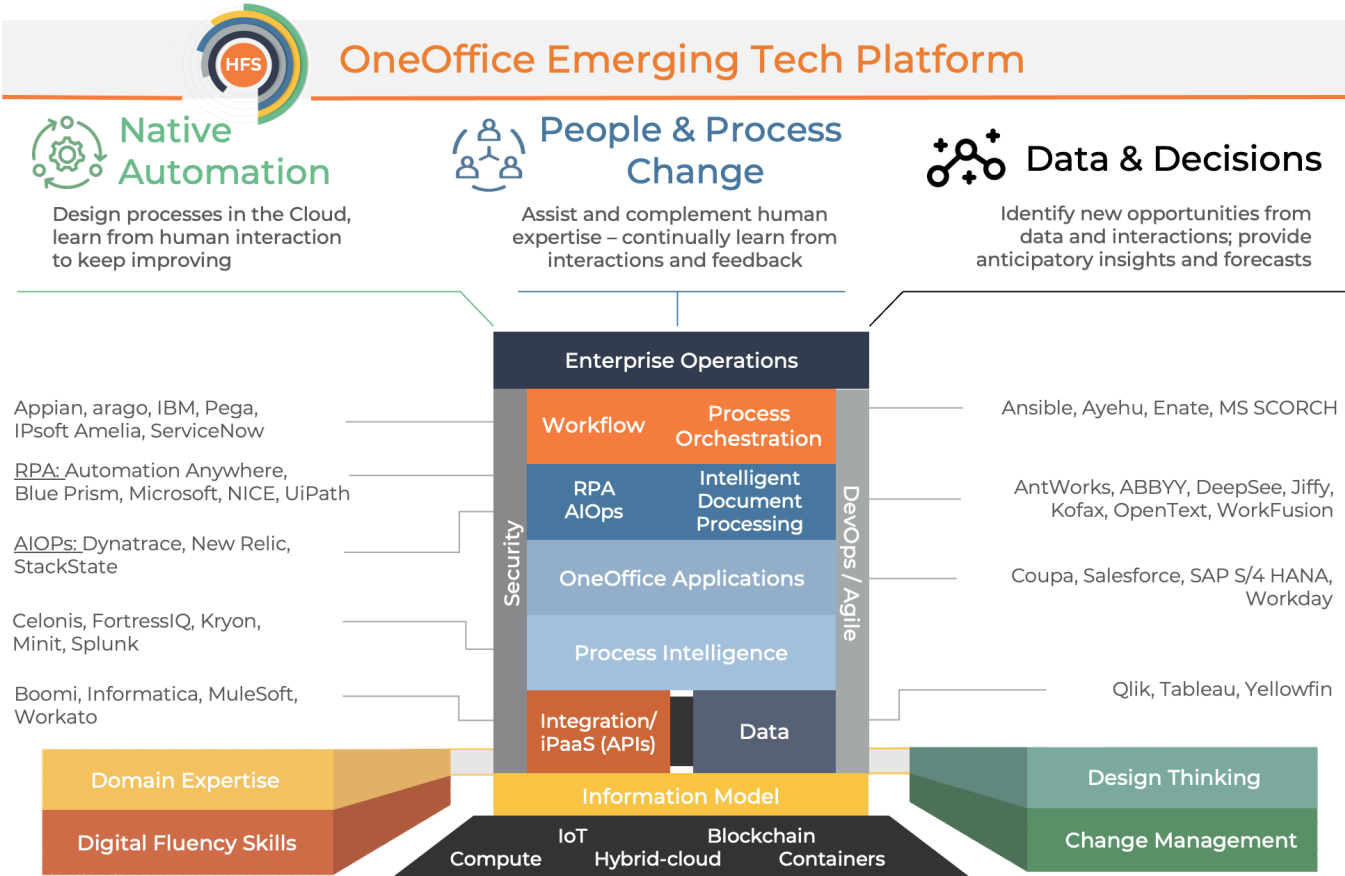
HFS OneOffice™ organization

The OneOffice™ is HFS' vision for the digitally transformed enterprise. Emerging technologies help organizations mature into **one integrated system** that enables employees, delights customers, and delivers on its purpose. An effective HCM platform that enhances employee experience and assists enterprises to adapt to change is an integral part of this.



HFS OneOffice Emerging Tech Platform

The OneOffice Emerging Tech Platform is our next-stage vision for how enterprises effectively embrace emerging tech through native automation, people and process augmentation, and data-driven anticipatory insights. Key OneOffice applications include cloud-based HCM solutions such as Workday.



Source: HFS Research, 2021, Examples are representative

HFS Workday HCM Services Value Chain

The *HFS Top 10 Workday Human Capital Management (HCM) Services 2021* report assessed 11 service providers' ability to deliver Workday HCM services as mapped to the HFS Workday HCM Services Value Chain.

Plan	Implement	Manage	Optimize
<ul style="list-style-type: none">• Business case development for SaaS deployment• Cloud advisory services, including cloud readiness assessment• Compliance, risk management, and security consulting• Human Capital Management (HCM) process and strategy consulting• Workday strategy consulting, process design, and configuration support• Technical change management consulting• Organizational change management consulting• Governance structure• Medium-term to long-term Workday roadmap consulting services	<ul style="list-style-type: none">• Project management• Data migration• Custom development services to comply with industry, geography, or other business requirements• Integration services• Extensions or tools of Workday to meet specific client needs• Testing• Initial user training• Technical change management execution• Organizational change management execution• Proactive consulting and advisory services sharing best practice	<ul style="list-style-type: none">• Governance management• Upgrade support• Workday help desk• Ongoing integration• Ongoing testing• Ongoing training• Ongoing proactive advice sharing best practice• Ongoing employee adoption support• Periodic solution and service delivery reviews• Identify any required changes in Workday or process to account for changing business requirements, e.g. M&A, divestment or new investments in IT	<ul style="list-style-type: none">• New Workday module value identification and benefit analysis• Ongoing Workday module adds and upgrades, migrations, and consolidation• Ongoing process strategy and system alignment• Process analytics and measurement• Medium-term to long-term Workday roadmap advisory services

Source: HFS Research, 2021

Workday HCM Applications

- Workday offers cloud applications for human capital management (HCM), finance, and planning processes. This Top 10 report covers the services that support Workday HCM, Payroll, and Planning as they relate to HCM. These include:
 - Workday HCM: Human Resource Management, Recruiting, Onboarding, Talent Management, Compensation, Learning, Benefits, Time and Absence, and Reporting.
 - Workday Payroll: This service is available in the US, Canada, the UK, and France. Enterprises typically look to Workday payroll partners, mostly ADP, for international plug-ins and connectors.
 - Workday Student: Academic Foundation, Student Recruiting, Student Admissions, Curriculum Management, Student Records, Academic Advising, Financial Aid, and Student Financials. This report includes the HCM aspects of Workday Student.
 - Workday Prism Analytics: Data Discovery, Data Preparation, and Data Management. This is a relatively new area.
 - Workday Adaptive Planning: This is a relatively new area. It is mainly used for financial planning, but it is also relevant for workforce planning in HCM.
- There are updates twice a year when the tenant is taken down for four hours to load with new functionality. The releases used to be numbered (the last one being Workday 33 in September 2019). They are now simply called Workday (calendar year) Release 1 and 2.
- Workday's Financial Management modules are not included in this Top 10 report. Please refer to the *HFS Workday Finance Management Services Top 10* report for our analysis of this market.

Research methodology


The *HFS Top 10 Workday Human Capital Management (HCM) Services 2021* report assesses and scores service provider participants across execution, innovation, and voice of the customer criteria. The inputs to this process included a detailed RFI process we conducted with 11 service providers, briefings with leaders of the Workday services practice within service providers, as well as reference calls and surveys of reference clients.

**Ability to execute**
33%

- Breadth and depth of services: Value chain coverage, proprietary tools development, and services and solutions to support specific market segments, such as enterprise size and industry sectors.
- Geographic reach.
- Market and team experience: Number of clients and Workday certified consultants and reference feedback on the strength of resources.

**Innovation capability**
33%

- Strategy and vision: Investment plans to enhance capabilities, including geographic expansion, partnerships, and talent development.
- Vision for the development of Workday services: Investment plans to enhance service offerings and assets.
- Ability to deliver business transformation: Adoption of a holistic view and consultative approach to supporting customers' human capital management transformation journeys.

**Voice of the customer (VoC)**
33%

- Direct feedback from service provider clients: From reference checks, surveys, and case studies critiquing provider performance and capabilities.

Research methodology (continued)

Workday maintains a carefully curated, invitation-only service partner ecosystem. Workday Delivery Assurance consultants assure service partners adhere to prescribed deployment methodologies. Workday service partners do, however, have opportunities to cultivate differentiation through investments in capabilities and vision for the HCM space. All of the service providers included in this Top 10 report are experienced and committed to the Workday services market. We considered several differentiators in our research methodology:

Execution

- **Breadth and depth of services**
 - **Value chain coverage:** Leading providers offer a breadth of services across the HFS Workday HCM services value chain. Strengths include additional services that facilitate a transformation, such as user-focused design and change management services and proactive, consultative recommendations to assist in long-term deployment success. Service providers that can leverage relevant skills from other divisions within their organization are advantageous for customers. In addition, Workday nominates “early adopter” partners for new modules; this status suggests a reputable Workday HCM practice as well as a strong relationship with Workday.
 - **Proprietary tools development:** All service providers have invested in tools and technologies, particularly to facilitate implementations. Table stake investments include data migration tools and a central platform that houses learnings from engagements. Value-add differentiators include tools that can provide analytics and recommendations, as well as tools that can help to prepare enterprises for their deployments. Best practices that include thought leadership and recommendations also stand out. Payroll is a niche area that requires local geographic knowledge. As such, any tools around payroll, such as payroll comparison tools, are also differentiators in this market.

Execution (continued)

- **Services and solutions to support specific market segments:** Market segments include enterprise size and industry sectors. These deliver a more tailored approach to deployments, which should result in a more successful business outcome. Leading service providers have developed services and solutions to support customers in different market segments. Some partners are certified to deliver Workday's Launch methodology, which is a preconfigured tenant for medium enterprises delivering fast implementation and support and training services. In June 2020, Workday extended this to be available to large enterprises in North America.
- **Geographic reach**
 - **Most Workday HCM services business continues to originate from North America.** However, the UK, Europe, Asia-Pacific (APAC), and Australia and New Zealand (ANZ) are all strong growth areas. Some service providers have strengths outside of North America due to their heritage. Most service providers are expanding their brand, geographical presence, and delivery capabilities to new geographies.
- **Market and team experience**
 - **Experience includes the number of clients and engagements a service provider has.** HCM is a growth market, so the amount of experience a service provider has is a clear differentiator. A strong provider can also hone these experiences in a detailed best-practice toolkit. The number of certified Workday HCM consultants that a service provider, or the certified pool, has is also a differentiator, as only Workday's employees and those of its service partners can achieve this certification.

Research methodology (continued)

Innovation

- **The innovation criteria capture the service providers' plans to strengthen their service offerings, tools development, and talent development to elevate their competitive position in this market.**
 - **Strategy and vision:** Investment plans to enhance capabilities, including geographic expansion, partnerships, and talent development.
 - **Vision for the development of Workday services:** Investment plans to enhance Workday HCM service offerings and assets.
 - **Ability to deliver business transformation:** Adoption of a holistic view and consultative approach to support customers' human capital management transformation journeys.
 - **Reference clients:** Reference client scoring and responses to the following questions were relevant to the service provider analysis of these criteria:
 - HCM Process Understanding

Voice of Customer (VoC)

- **Reference clients:** We spoke with 35 clients references who provided feedback and scores on the service providers.

Workday HCM services providers covered in this report





Executive summary

Executive summary

- **Little effect from the COVID-19 pandemic:** Some large Workday HCM projects were paused during the COVID-19 pandemic's global lockdown. However, we spoke with several clients who did most of the projects remotely and successfully went live during the lockdown. The need for an effective cloud HCM solution that was easy to use became more important with a dispersed workforce. A few partners, like IBM and Mercer, developed services and solutions using Workday to help clients to return to work during the pandemic. Many service partners expect remote delivery to continue to be popular or even the default after the lockdown.
- **Phase 2 project uptick:** There continue to be opportunities for greenfield Workday deployments. However, service providers also have increasing opportunities with phase 2 deployments and engagements with enterprises that have already deployed at least one Workday module. Enterprises often select a different partner for any post-deployment service, whether this is for additional module implementation or for application management support (AMS) services. Enterprises also reach out to service partners for release management assistance, having tried and failed to keep on top of this in-house. Some enterprises are re-visiting their initial re-platforming exercise to elevate it to a true transformation.
- **Mergers, acquisitions, and divestiture opportunities:** There are increasing opportunities to assist enterprises that have experienced a merger, acquisition, or divestiture, as the new entity seeks a unified, global HCM platform. KPMG and DXC are examples of service providers with offerings for this market.
- **Technical and organizational readiness is key:** Enterprises must consider the technical and organizational implications of a Workday deployment. Ideally, a service provider can offer assistance to understand the implications of the project up front. Service providers that can liaise with senior HCM executives and have tools and services that guide an enterprise through their deployment are key to success. For example, Deloitte and Collaborative Solutions have tools to assist clients in being better prepared for the deployment.

Workday HCM services market snapshot

This table reflects the data collected and estimates for the 11 service providers included in this report.

Number of certified workday HCM consultants	~9,000
Average number of certifications per consultant	2.5
Number of employees in Workday services practices	~14,000
Total Workday HCM clients to date	3,833+ (mid-market enterprises) 2,436+ (large enterprises)
Current Workday HCM clients	1,730+ (mid-market enterprises) 766+ (large enterprises)
Total number of HCM clients	6,000+
Average growth in Workday HCM services in past 12 months	43%
Average expected growth in Workday HCM services in the next 12 months	16%
Top three industries for Workday HCM services based on participating service providers	<ul style="list-style-type: none">• Financial services—banking and capital markets• Healthcare• Technology

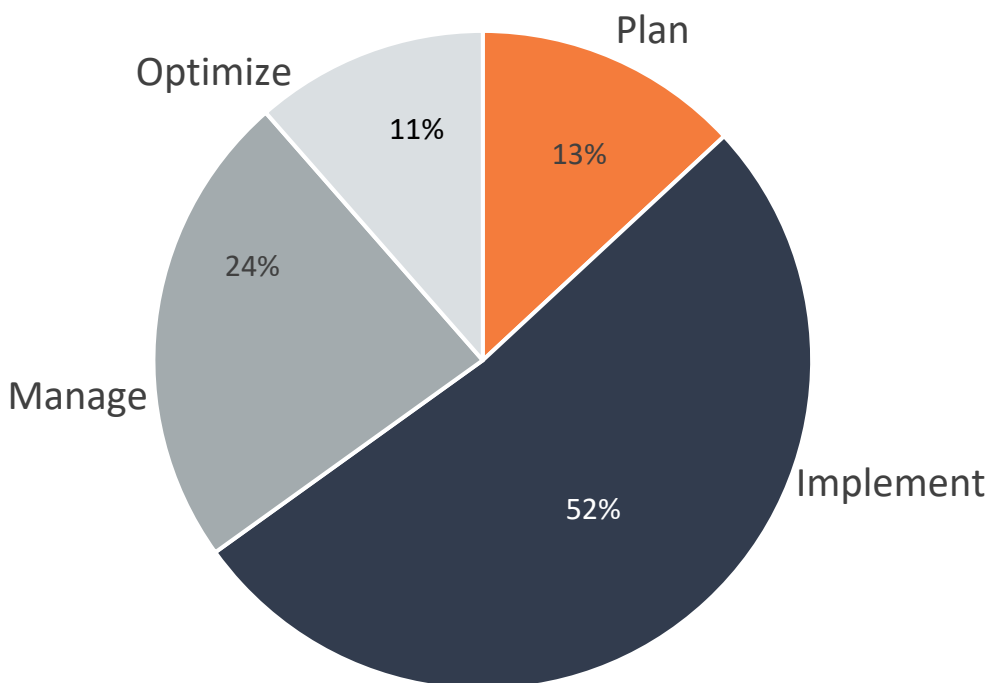
Aggregate responses of service providers in this Top 10
Source: HFS Research, 2021

Workday HCM Services Market Snapshot (continued)

Top three fastest-growing industries in the next 12 months	<ol style="list-style-type: none">1. Financial services—banking and capital markets2. Healthcare3. Technology
Top three Workday HCM modules	<ol style="list-style-type: none">1. Core HCM2. Recruiting3. Payroll
Top three fastest-growing Workday HCM modules in the next 12 months	<ol style="list-style-type: none">1. Learning2. Recruiting3. Payroll

Aggregate responses of service providers in this Top 10
Source: HFS Research, 2021

Approximate split of Workday HCM services business by value chain services

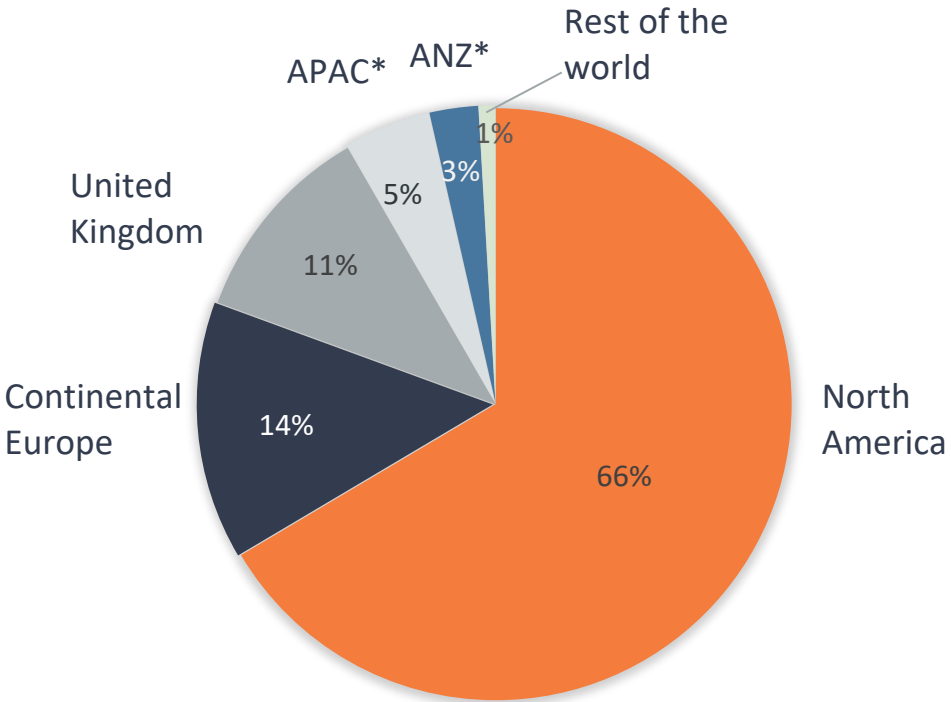


Aggregate responses of service providers in this Top 10
Source: HFS Research, 2021

- **Plan:** Planning or consulting are emerging services seeing moderate growth. Service providers are developing consulting services to prepare enterprises that want to achieve a transformation versus a re-platforming of their HCM process. The ability to deliver user-focused design and organizational change management is particularly important to achieve success.
- **Implement:** Most Workday HCM services business continues to be in implementation services. Many enterprises are focused on achieving fast deployments. Service providers have been investing in strengthening these services by developing tools and technologies.
- **Manage:** Application management services (AMS) have shown good growth in the past few years for two reasons:
 1. Enterprises who thought they could perform AMS in-house soon realized that it is a more complicated task than they had at first thought.
 2. Enterprises with more sourcing experience or that are embarking on a true transformation project understand the importance of AMS from the outset.
- **Optimize:** Optimization services represent a rapidly growing market as enterprises realize they need to adopt a dynamic approach to keep up-to-date with new modules and business opportunities.

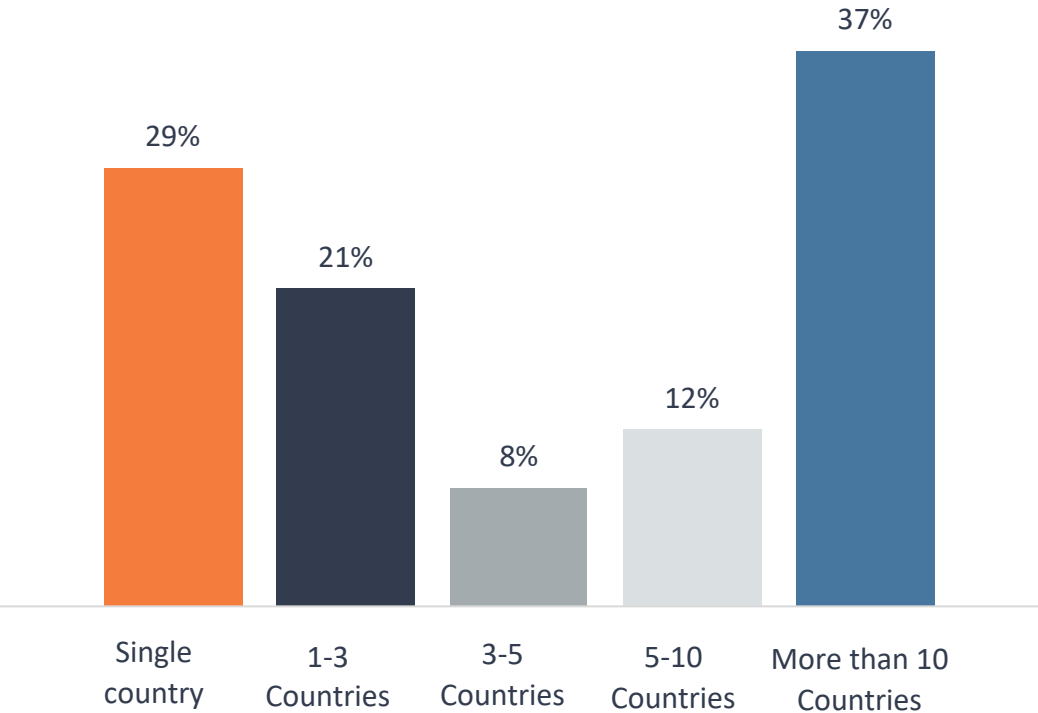
Workday HCM services business by geography

Split of Workday HCM services by geography



APAC*: Asia and Pacific, ANZ*: Australia and New Zealand
Aggregate responses of service providers in this Top 10
Source: HFS Research, 2021

Percentage of Workday HCM services engagements in the following geographical categories

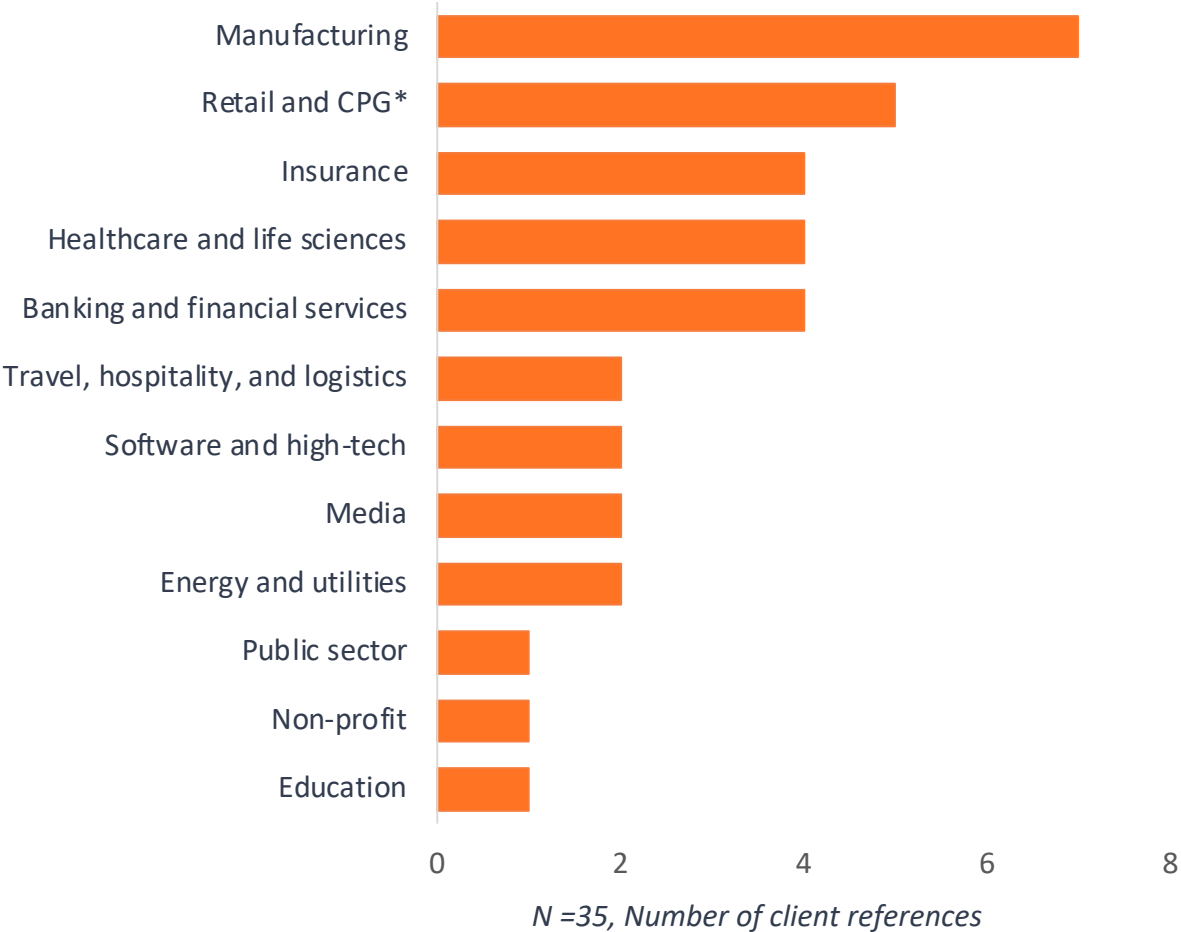




Workday Services: Voice of
the customer

Client reference demographics

Exhibit 1: Client references by industry sector

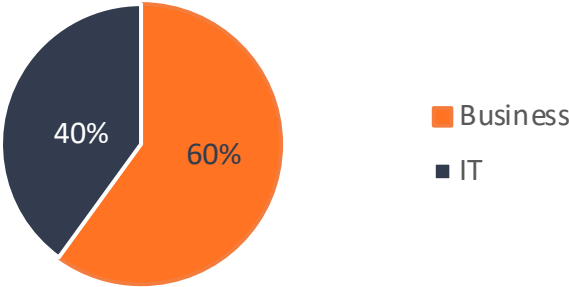


CPG*: Consumer Packaged Goods
Source: HFS Research, 2021

Exhibit 2: Client references revenue



Organizational alignment



N = 35, Number of client references

Why Workday?



Which other solution(s) did you consider?

1. Oracle HCM Cloud
2. SAP HCM
3. ADP
4. NetSuite SuitePeople
5. Other specific solutions, such as Kronos, Ceridian DayForce, or Ultipro

In order of number of mentions in descending order by all client references
Source: HFS Research, 2021

Why this service provider?



Criteria that received the highest number of mentions by all client references
Source: HFS Research, 2021



HFS Workday HCM services Top 10 results

Summary of service providers assessed in the report

Service providers (alphabetical order)	HFS Point of View
Accenture	Top-two certified pool, with strong capabilities and vision
Alight Solutions	Global HR, benefits, and payroll with flexible service delivery
Collaborative Solutions	Workday's longest-tenured services partner, focused on solving business challenges for large and medium enterprises
Deloitte	Top customer feedback scores, global experience, with strong capabilities and vision
DXC Technology	International experience with management services strength
IBM	HR transformation capabilities strengthened by IBM Watson-based tools
Kainos	UK and European partner expanding its scale and capabilities
KPMG	Industry sector-led with international experience
Mercer	HR specialist delivering digital transformation services
OneSource Virtual	Payroll management services specialist with a strong client base
PWC	International experience with strong methodologies and vision

HFS Top 10 Workday HCM services 2021

Rank	Overall HFS Top 10 position	Execution				Innovation				Voice of the customer
		Breadth and depth of services	Geographic reach	Market and team experience	Overall execution	Strategy and vision	Vision for and investment in the development of Workday services offerings	Ability to deliver business transformation	Overall Innovation	
#1	Deloitte.	accenture	IBM	accenture	accenture	accenture	accenture	accenture	accenture	Deloitte.
#2	accenture	Deloitte.	Deloitte.	alight	Deloitte.	Deloitte.	Deloitte.	Deloitte.	Deloitte.	DXC DXC.technology
#3	COLLABORATIVE SOLUTIONS A Cognizant Company	COLLABORATIVE SOLUTIONS A Cognizant Company	accenture	Deloitte.	alight	IBM	IBM	IBM	IBM	COLLABORATIVE SOLUTIONS A Cognizant Company
#4	alight	pwc	pwc	COLLABORATIVE SOLUTIONS A Cognizant Company	COLLABORATIVE SOLUTIONS A Cognizant Company	KPMG	pwc	pwc	pwc	accenture
#5	pwc	MERCER	DXC DXC.technology	IBM	IBM	pwc	KPMG	KPMG	KPMG	alight
#6	IBM	KPMG	KPMG	onesource [®] VIRTUAL	MERCER	DXC DXC.technology	COLLABORATIVE SOLUTIONS A Cognizant Company	COLLABORATIVE SOLUTIONS A Cognizant Company	COLLABORATIVE SOLUTIONS A Cognizant Company	KPMG
#7	KPMG	IBM	COLLABORATIVE SOLUTIONS A Cognizant Company	MERCER	pwc	COLLABORATIVE SOLUTIONS A Cognizant Company	DXC DXC.technology	MERCER	DXC DXC.technology	pwc
#8	DXC DXC.technology	alight	MERCER	pwc	onesource [®] VIRTUAL	MERCER	alight	alight	MERCER	MERCER
#9	MERCER	onesource [®] VIRTUAL	alight	KPMG	KPMG	alight	MERCER	onesource [®] VIRTUAL	alight	IBM
#10	onesource [®] VIRTUAL	kainos [®]	kainos [®]	DXC DXC.technology	DXC DXC.technology	onesource [®] VIRTUAL	onesource [®] VIRTUAL	kainos [®]	onesource [®] VIRTUAL	onesource [®] VIRTUAL

Notable performances in Workday HCM services

HFS Podium Winners

Top 5 providers overall across execution, innovation, and voice of the customer criteria

#1 Deloitte.			#2 accenture			#3  COLLABORATIVE SOLUTIONS A Cognizant Company			#4 alight			#5  pwc					
Execution powerhouses Top 3 providers on execution criteria						Innovation champions Top 3 providers on innovation criteria						Outstanding voice of the customer Top 3 providers on voice of the customer criteria					
#1		#2		#3		#1		#2		#3		#1		#2		#3	
accenture		Deloitte.		alight		accenture		Deloitte.				Deloitte.		 DXC.technology		 COLLABORATIVE SOLUTIONS A Cognizant Company	

Other Notable Performances

- KPMG and PwC both continue to invest heavily in their tools and methodologies and performed well in the innovation categories.
- Since our last Workday HCM Blueprint, Mercer established its Mercer Digital practice.
- OneSource Virtual has the second-highest number of clients in this research at 1,072.
- Kainos is the smallest service provider in this research, but it is steadily growing and expanding its geographic reach. Its optimization service capability is a particular strength.



Workday HCM services provider profile



International experience with strong methodologies and vision

Dimension	Rank	Strengths	Opportunities
HFS Top 10 position	#5	<ul style="list-style-type: none"> Good geographical coverage: Unlike many of the service providers in this research, half of PwC's Workday's services business comes from outside of North America. In addition, more than 50% of PwC's Workday services engagements span more than 10 countries. PwC, therefore, has good experience in delivering global Workday deployments. BxT (Business-Experience-Technology) methodology: PwC's BxT (business-experience-technology) methodology, including "The Difference" workshop, focuses on personas, business outcomes, efficiency, and effectiveness in a highly engaging environment setting. All of these present key differentiators in the Workday services market as clients need guidance on current and likely future implications of deploying Workday. Optimization services growth: PwC offers the full life cycle of Workday services and is focused on its optimization services. Its Next Level HR solution helps clients maximize the use of their Workday system by using benchmarks and providing a roadmap for improvements. Tools investment: PwC has invested \$3 billion to develop new tools, technologies, and change agents and to train staff on emerging technologies. In addition to those highlighted here, PwC also has 25 certified developers on the Workday Extend platform for Workday HCM and FM. HCM expertise: PwC has developed expertise and proprietary tools to support clients' HCM transformation journeys with its focus on digital workforce transformation. Examples include PwC's change management services, which include its Change Navigator and Change Communicator digital tools. Also, PwC's Digital Risk services assist clients in understanding the implications of non-compliance to regulations. Much of this is based on PwC's own experience of deploying Workday internally to more than 275,000 employees in over 150 countries. This lends PwC increased credibility to deliver Workday HCM engagements. Analytics investment: PwC has combined its Saratoga tool with Workday's Prism Analytics platform to provide insights into people data. Voice of the Customer: Clients commend PwC on the quality of its account management, flexibility, and its understanding of the HCM process. One client said of PwC, "They were not our vendor, they were our partner in this massive transformation," and that "PwC was above average in their functional expertise." 	<ul style="list-style-type: none"> Continued growth of certified pool: While PwC has a sizeable Workday HCM practice, its certified pool is still smaller than the outright leaders in this market. Attracting and training Workday consultants is a challenge for all of the Workday services ecosystem. However, PwC has to continue to invest in this to remain competitive with the other global partners. Buyers should check that they will have access to the right level of skills where they need them, especially for deep transformation skills. They should also note that PwC clients highlight that PwC leaders and senior consultants are "outstanding" and "exceptional." Medium enterprise business growth: Most of PwC's Workday HCM services business is with large enterprises. Medium-sized enterprises may not consider PwC for engagements if they select Workday's Launch approach in countries where PwC is not yet certified for Launch.
Ability to execute	#7		
Breadth and depth of services	#4		
Geographic reach	#4		
Market and team experience	#8		
Innovation capability	#4	Relevant acquisitions and partnerships*	Key clients*
Strategy and vision	#5	<p>Acquisitions include:</p> <ul style="list-style-type: none"> Balkon (2014) 	<p>PwC helps clients across industries and geographies. PwC also focuses on organizations that are acquisitive or divesting components for their business. Geographic coverage: North America, the UK, Continental Europe, South Africa, and APAC.</p>
Vision for and investment in the development of Workday services offerings	#4		<p>Industry coverage: All industry sectors, including retail and consumer, industrial products, technology, communications, financial services (insurance, banking), healthcare, and professional services.</p>
Ability to deliver business transformation	#4		<p>Some publicly disclosed clients include:</p> <ul style="list-style-type: none"> Leading US healthcare provider Leading global advertising agency Leading global automotive manufacturer Large consumer electronics group Major global credit finance organization Leading professional services firm Major social networking company Large interactive software company
Voice of the customer	#7	Operations*	Technology tools and platforms*
		<ul style="list-style-type: none"> Partner since: 2008 Number of employees in Workday services practice: 1,000+ Number of Certified Workday consultants: 700+ Average number of certifications per consultant: 2.7 Total number of clients: 350+ Total number of projects or ongoing engagements: 75 <p>Key delivery locations for Workday practice:</p> <ul style="list-style-type: none"> USA: Chicago, Atlanta, San Jose, New York, Dallas, Los Angeles Canada: Ottawa, Toronto, Montreal, Calgary, Edmonton, Vancouver, Waterloo EMEA: UK, France, Belgium, Italy, Poland, Netherlands, Spain, Ireland, Germany, Sweden, South Africa APAC: Japan, China, India, Hong Kong, Singapore, Malaysia, Thailand, Australia 	<p>Accelerators:</p> <ul style="list-style-type: none"> BxT and "The Difference" workshops Enterprise Insights platform Healthcare pre-configured tenant Global HR business process framework with applicable localizations Security, compliance, and integrated controls solutions Banking solution Insurance solution PwC's Saratoga and People Analytics Experience platform Test script library Integrations library Next Level HR optimization Change Navigator Change Communicator

*Relating to Workday HCM unless stated otherwise



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About HFS Research

The HFS mission is to provide visionary insight into major innovations impacting business operations, including: automation, artificial intelligence, blockchain, Internet of things, digital business models, and smart analytics.

HFS defines and visualizes the future of business operations across key industries with our Digital OneOffice™ Framework.

HFS influences the strategies of enterprise customers to help them develop OneOffice backbones to be competitive and to partner with capable services providers, technology suppliers, and third-party advisors.

Read more about HFS and our initiatives on www.HFSresearch.com or follow [@HFSResearch](https://twitter.com/HFSResearch).

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