HfS Blueprint Report

Workday Services 2016
Excerpt for Deloitte

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Executive Summary
Introduction to the HfS Blueprint Report: Workday Services 2016

- The 2016 HfS Workday Services Blueprint Report is an update of the 2015 Workday Services Blueprint Report. However, as the Workday service provider landscape has significantly changed over the past year, it is difficult to directly compare the two reports. There has been consolidation in the market and most providers have continued to aggressively invest in capabilities, providing new value propositions to clients. Moreover, HfS Research has updated our Blueprint grid to include additional categories.

- Unlike other quadrants and matrices, the HfS Blueprint identifies relevant differentials between service providers across a number of facets under two main categories: innovation and execution.

- This Blueprint Report looks at the innovation and execution capabilities of sixteen service providers in detail and provides a mini profile of capabilities for ten more. These service providers are the leaders in this market and the major partners for Workday in delivering this platform to enterprises today.
Workday: Applications

- Workday posted Fiscal Year 2016 Total Revenue of $1.16 billion, representing an increase of 48% from Fiscal 2015. Demand for both the HCM and FM applications is growing, from all sizes of enterprise as well as from those headquartered outside of North America, notably Europe and Asia Pacific. HfS has defined the services set for this Blueprint as built around all of the modules in the Workday Human Capital Management (HCM) and Financial Management (FM) suite. These include:

  - **Workday Human Capital Management (HCM):** Core HCM, Compensation, Benefits, Talent, Recruiting, Payroll, Time and Absence, Learning, Workforce Planning and Analytics
  
  - **Workday Financial Management (FM):** Accounting and Finance, Revenue Management, Management Reporting, Expenses, Procurement, Inventory, Projects and Grants
  
  - **Workday Payroll:** This is available in the US, Canada, UK and France. Enterprises typically look to Workday payroll partners, mostly ADP, for international plug-ins and connectors.
  
  - **Workday Student, Workday Learning, and Workday Planning:** These applications are expected in general release in the second half of 2016. Several Higher Education institutions are participating in Workday’s Design Partner, Strategic Influencer, and Strategic Advisor programs. Some have also started to deploy Workday Student modules, including Student Recruiting and Admissions, prior to general availability of the full Student suite in late 2016.
  
  - **Workday Insight Applications Management:** Since Workday 26 release in March 2016, these pre–packaged analytic applications are incorporated into the core HCM and FM applications.
Workday Selection

Why Workday?: Clients we spoke to in this Blueprint selected Workday for a number of reasons. Some of the things clients highlighted include:

- It is an integral part of client’s cloud strategy
- It is a truly integrated set of end-to-end solutions
- It is a modern and radically different approach compared with the competition
- It enables fast decision making
- It includes important reporting and analytics capabilities
- It provides HCM and FM capabilities, in a platform approach
- There is low cost of support compared to competition
- It has great functionality
- It provides a rich user experience
- Its integration capability with other applications

Strong Client References: Workday has very strong client references who are willing to talk to all prospective clients. Nearly all of the buyers we spoke to in this Blueprint said that this was a strong reason why they selected Workday.
Workday: Services

- **Workday’s Professional Services organization** has two focus areas:
  
  1. **Deliver direct professional services to assist clients in deployments.** This is typically to support new applications and/or where clients specifically request this.
  
  2. **Support service partners in the ecosystem to deliver successful deployments.** As service partners in the ecosystem gain experience in deploying applications, Workday prefers for them to lead deployment initiatives.

- **Workday Office Hours:** This is a direct offering from Workday which enables clients to make an appointment to talk to a product expert. To date, approximately 300 clients have signed up to this real-time problem resolution and/or advice.

- **Workday Community:** The Workday Community is an online resource for all customers to ask questions, share experiences and even find partners. Workday service partners are encouraged to help Workday to answer questions on the site. A few of the partners, such as OneSource Virtual, also have their own user groups to facilitate customer engagement, but the majority of partners rely on customers accessing the Workday Community.
Workday: Services

- **Workday Pro**: Customers are able to achieve training and accreditation for internal staff through the Workday Pro program. This is a role-based customer training program that involves a written test and bi-annual update training. Customers interested in the program are encouraged to complete it prior to the deployment stage, so that staff can work more effectively with the implementation partner.

- **Workday Consulting Services Marketplace**: Customers can submit a ‘Request for Service’ on this online resource and Workday or one of its partners can respond and provide the required services. There are sometimes skills distribution issues in the Workday ecosystem and the Consulting Services Marketplace helps to address this.
Workday Services Ecosystem

- **Workday has 39 service partners.** Workday has three categories of partners:
  - Advisory Partners
  - Deployment Partners
  - Product Application Management Services Partners

- The majority of partners are Deployment Partners, who are responsible for Workday deployment projects. Several partners have capabilities and experience across the three main service area categories of advisory, deployment and management services, despite being listed as partners in only one of these areas. Workday’s goal is for partners to deliver 75% to 80% of all projects. Workday provides partners with training support for all services partners and also ensures that the ecosystem is prepared for the launch of all new products and initiatives. For example, Workday is focusing on the following in the next year:

  - **Pre-Configured solution development:** Workday is focusing on developing tenant pre-configured solutions, for clients and partners, to speed up design and deployment times.
  
  - **Healthcare, Education and Government sector focus:** Workday is developing solutions more aligned to industry sectors, including Healthcare, Higher Education, Government and Professional Services. It will also work closely with service partners that have skills in specific industries to build industry best practices and tools.
  
  - **Platform deployments:** Workday will increasingly focus on platform deployment methodologies for unified HCM, Payroll, and Financial Management deployments.
Workday Services Ecosystem(2)

- **Workday Partner support:** The Workday partner ecosystem has over 150 dedicated Workday resources focused on marketing and business development activities. Workday provides tools and methodologies to assist partners to deploy and support Workday applications. It also meets with each partner on a regular basis to discuss the latter’s Workday services strategy and growth plans. Workday also offers joint go-to-market opportunities with service partners to help promote new business initiatives.

- **Recommending partners to clients:** Clients sometimes ask Workday for recommendations of service providers. In these situations, Workday typically suggests three to four partners that may meet the client’s requirements, but clients are free to select their partner, whether it is on this suggested list or not. Several clients we spoke to said that Workday had recommended their service provider, based on its specific experience and alignment with the client’s requirements.

- **Partner involvement in new product releases:** Workday often works with a select few partners, called the Early Adopters, in the early stages of the launch of a new product or methodology, to gain feedback on design and the product roadmap. The aim is to resolve all issues before the general availability of the application. For example, Workday is working with a few service partners for early feedback on the Workday Learning and Workday Planning applications.
Workday Services: Quality Control

Workday insists on having visibility of all services engagements to be able to better control the quality of service delivered and stay abreast of customer needs. Workday uses customer feedback to make adjustments in the product and also to provide guidance on the services that should be offered by ecosystem partners. It drives consistency and quality in the following ways:

- **Workday Accelerated Deployment Methodology and Lifecycle Deployment Program:** Workday stipulates that all partners follow the five stages of its Accelerated Deployment Methodology: Plan, Architect, Configure and Architect, Test, Deploy. All partners follow this common approach, ensuring the same high quality standard of deployments. Partners can build proprietary tools and templates on top of this methodology to drive differentiation. For enterprises in North America and Europe, with 650 to 3,500 employees, partners use the Lifecycle Deployment Program (LDP) approach, which enables these customers to get live more quickly and cost efficiently.

- **Delivery Assurance:** All partner-led engagements require Delivery Assurance, through which Workday provides specialized consulting resources at each major stage of the project to ensure that each step of the deployment methodology has been properly followed. In addition this involvement allows Workday to be proactive in addressing any issues.
# HfS Workday Service Definitions

## WORKDAY SERVICES VALUE CHAIN

<table>
<thead>
<tr>
<th>PLAN</th>
<th>IMPLEMENT</th>
<th>MANAGE</th>
<th>OPERATE</th>
<th>OPTIMIZE</th>
</tr>
</thead>
</table>
| • Business case development for SaaS deployment  
• Cloud advisory services, including cloud readiness assessment  
• Compliance, risk management and security consulting  
• HCM/ Finance strategy consulting  
• Workday strategy consulting, process design and configuration support  
• Change management consulting  
• Governance structure | • Project management  
• Data migration  
• Custom development services to comply with industry, geography or other business requirements  
• Integration services  
• Extensions, tools or configurations to fill functional gaps of Workday  
• Testing  
• Initial user training  
• Change management execution | • Governance management  
• Upgrade support  
• Workday help desk  
• On-going integration  
• On-going testing  
• On-going training  
• Workday uptime, data accuracy, and access responsibility  
• On-going employee adoption support  
• Just in time usability content  
• 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, new investments in IT | • Workday Business process outsourcing (BPO). E.g. HCM BPO, Payroll BPO, etc. | • New Workday module value identification and benefit analysis  
• On-going Workday module adds/upgrades, migrations, and consolidation  
• On-going HCM/ Finance strategy and system alignment  
• HCM/ Finance analytics and measurement  
• Best practice content curation  
• User community facilitation |

- **Project**
- **Project**
- **Run**
- **Run**
- **Project**
Workday Services Value Chain Market

Approximate split of Workday Service Business by Value Chain Service*

* Aggregate responses of service providers in this Blueprint

Source: HfS Research, September 2016
Key Highlights: Workday Services Value Chain

- **Plan**: Enterprises need assistance to understand the technical, organizational, and legal implications of using a SaaS solution. This is a critical phase to get right in order to obtain the maximum business benefits from a Workday deployment. We expect consulting opportunities to continue to grow steadily over the next 12 to 18 months driven by the demand to understand how to best manage a HR and/or Finance function, as well as increasing industry and regional regulatory needs.

- **Implement**: This is the biggest part of the Workday service market today. HCM implementation remains strong, but in the past year, the demand for the Financial Management (FM) application has also increased dramatically. Demand outside of North America has also picked up, notably in Europe and APAC. We expect implementation services to remain in high demand over the next few years as there are still many opportunities for phase 1 and phase 2 deployments.

- **Manage**: Many service providers have invested in developing and strengthening Workday management services capabilities to meet the steadily growing demand from clients. Most enterprises still assume they can manage the application in-house with little to no outside support. However, several enterprises, especially those who are in phase 2 deployments are rapidly realising the need for additional support. One of the main drivers for management services growth is the fact that clients are realising that it can be more efficient to outsource some of the necessary tasks associated with running their enterprise systems. We expect management services to continue to grow over the next 12-18 months.
Key Highlights: Workday Services Value Chain (2)

- **Operate**: Service providers with general HR BPO capabilities have invested in BPO services, typically payroll BPO and BPaaS over the past year. This remains a relatively small but growing market.

- **Optimize**: Service providers have developed Optimize capabilities over the past year to meet the rapidly growing demand. Service providers in this Blueprint estimated these revenues, but often Optimize services form part of a service provider’s consulting or management services business. We expect these services to continue to be important in all SaaS service areas, including Workday.
Key Highlights: Workday Services Market Growth

- **Consolidation in the Workday Services market**: Since the 2015 Workday Services Blueprint report there has been some consolidation in the services ecosystem. Notably:
  - Aon Hewitt acquired UK-based Kloud
  - KPMG acquired Towers Watson HR Service Delivery Practice
  - IBM acquired Meteorix
  - Mercer acquired CPSG

- **Growth in Workday services practice and number of certified consultants**: All service providers included in the 2015 and 2016 Workday Services Blueprints experienced growth. Taking out the effects of the acquisitions, HfS estimates that, for the service providers included in this Blueprint:
  - The number of people in service providers’ Workday services practice teams increased by 64% from 2015 to 2016
  - The number of certified engineers increased by 45% from 2015 to 2016. Service provider participants of this Blueprint have a total of nearly 5,000 Workday certified consultants.
Key Highlights: Workday Services Market Trends

- **HCM Core, Benefits and Payroll top 3 modules today:** Service providers estimate the 3 most popular modules today to be Workday HCM Core, Benefits and Payroll. These are a mix of phase 1 and phase 2 deployments.

- **FM, Recruiting and HCM Core top 3 modules in next 6 to 12 months:** Service providers in the Blueprint estimate the 3 most popular modules in the next 6 to 12 months will be FM, Recruiting and HCM Core.

- **Joint Workday HCM and FM deployments demand:** Service providers in this Blueprint estimated that they had worked on more than 5,400 projects or ongoing engagements in total. Approximately 69% of these are focused on Workday HCM, 4% on the FM application alone, and approximately 27% include both HCM and FM applications.

- **Service provider revenue growth of 46%:** Service providers in this Blueprint expect their Workday services business to grow at an average of 46% in the next year.

- **Manufacturing, Financial Services (Banking and Capital Markets), Retail, and Technology sectors lead deployments:** HfS estimates Manufacturing, Financial Services (Banking and Capital Markets), Retail, and Technology to be the leading sectors deploying Workday today. Most service providers are only just starting to target specific industries with solutions and services. Workday itself is also seeing substantial growth in specific industry sector solutions to better support client business needs going forward.
Key Highlights: Workday Services Market Trends (2)

- **Continued demand for Workday HCM and FM**: Enterprises are increasingly considering Workday solutions to manage their HR and Finance functions. While HCM remains the leading solution, interest in FM has significantly grown in the past year. There is a mix of deployment behavior, including:
  - Enterprises deploying a few modules at a time, across target sites at a time
  - Enterprises deploying almost the full suite of the HCM modules to all major sites at once
  - Enterprises deploying HCM first and then considering FM
  - Enterprises deploying FM first
  - Enterprises deploying HCM and FM at the same time

- **Workday Payroll and Workday Student Growth**: Service providers are also seeing continued growth in the Workday Payroll, and Workday Student modules. Fewer partners have these capabilities and so are differentiators in this market.

- **Analytics Focus**: Enterprises are starting to see the value of insight into their HR and finance operations to enable them to make better decisions. One Finance Manager told us that the risk of using the cloud for proprietary information was not as big as the risk of not having the right data instantly to make fast decisions that impact the business.

- **Growth outside of North America**: The demand for Workday is increasing outside of North America, notably in Europe and even in the Asia Pacific region. Workday and most of the services partners in this Blueprint have indicated a strategy to target Europe in particular in the next year. The main challenge to this growth is being able to attract and retain good talent.
Key Highlights: Workday Services Market Trends (3)

- **Global design with remote local deployments:** Most Workday deployments are managed from the client’s central headquarter site, with remote deployment to other sites, including countries. For the most part, this works fine. Sometimes consultants need to spend some time at local sites to tailor and test solutions for the local markets. Clients have also contracted consultants from local service providers such as everBe, who have worked alongside the prime contractor to deliver the solution.

- **Fast deployment focus:** Enterprises are focused on fast deployments, which can compromise the quality and time spent on upfront design and consulting services. They often realise the importance of this at a later stage and we expect consulting services to continue to grow in importance in this market.

- **Management services growth:** Workday management services is a growth market. Enterprises that are in phase 2 deployments are starting to realize the importance of having access to ongoing, flexible management services. Most enterprises, however, still believe that they can manage the solution in-house. Most of the service providers in this Blueprint have identified management services as an important growth area and have invested in developing and strengthening their capabilities in this space to prepare for the increase in demand in the next few years.

- **Talent Shortage:** There continues to be a talent shortage in the Workday services market. In Europe and APAC in particular, many service providers are struggling to find good, local talent. The battle to attract and retain the best people will likely continue for the service providers for some time. Service providers have invested in talent acquisition and retention programs to meet this challenge.
Research Methodology
Research Methodology

Data Summary
- The data for this Blueprint were collected in Q2 and Q3 2016, covering service buyers, service providers, and advisors/influencers of Workday services.
- HfS selected a mix of global system integrators and specialist providers to include in this Blueprint.
- The main differences from the partners included in the Workday Services Blueprint 2015 are that this year:
  - Ataraxis is not included in the main section
  - DayNine is included in the main section
  - PWC is included in the main section

This Report Is Based On:
- Tales from the Trenches: Interviews were conducted with buyers who have evaluated service providers and experienced their services. Some were supplied by service providers, but many interviews were conducted by HfS Executive Council members and participants in our extensive market research.
- Sell-Side Executive Briefings: Structured discussions with service providers were intended to collect data necessary to evaluate their innovation, execution and market share, and deal counts.
- Publicly Available Information: Financial data, website information, presentations given by senior executives, and other marketing collateral were evaluated.

Participating Service Providers

Additional Mini Profiles
# HfS Blueprint Scoring Percentage Breakdown

## EXECUTION

### Quality of Customer Relationships
- Quality of Account Management Team: 20%
- How Service Providers Engage Clients and Develop Communities Around Workday: 10%
- How Service Providers Incorporate Client Feedback: 10%

<table>
<thead>
<tr>
<th>Real-World Delivery Solutions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Delivery of Services for Each Sub-Process</td>
<td>25%</td>
</tr>
<tr>
<td>Plan</td>
<td>5%</td>
</tr>
<tr>
<td>Implement</td>
<td>5%</td>
</tr>
<tr>
<td>Manage</td>
<td>5%</td>
</tr>
<tr>
<td>Operate</td>
<td>5%</td>
</tr>
<tr>
<td>Optimize</td>
<td>5%</td>
</tr>
</tbody>
</table>

| Scale of Design, Implementation, and Management Capabilities | 5% |
| Usefulness of Services to Specific Client Needs of All Sizes | 20% |
| Flexibility to Deliver End-to-End Solutions and Point Solutions | 10% |
| How is the Service Provider becoming a Broker of Capability for the Client | 10% |

### Talent Development / Ability to Attract and Retain Key Workday Skills
- 10%

## INNOVATION

### Vision for Value Delivery
- Innovation in Commercial Models to help Clients Write Off Legacy: 10%
- Using Design Thinking To Enable the Change Management of Workday Clients: 5%

<table>
<thead>
<tr>
<th>Vision for Workday’ Effectiveness in Clients</th>
<th>35%</th>
</tr>
</thead>
</table>

### Ability to Leverage Value Drivers
- Integration of Partner Capabilities into Workday’ Solutions: 10%
- Investment in Proprietary Tools, Accelerators, and Solutions: 15%
- Capabilities for Providing Accessible & Actionable Data to Customers: 15%
- Strategy for the deployment of Intelligent Automation: 10%

## TOTAL

- 100.00%
## Blueprint Scoring Definitions: Execution

<table>
<thead>
<tr>
<th>EXECUTION</th>
<th>How well does the provider execute its contractual agreement, and how well does the provider manage the client/provider relationship?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Customer Relationships</td>
<td>How engaged are providers in managing the client relationship based on the following metrics: Quality of Account Management, service provider/client engagement, and incorporation of feedback?</td>
</tr>
<tr>
<td>Quality of Account Management Team</td>
<td>What is the quality level of professional skills in the account management team?</td>
</tr>
<tr>
<td>How Service Providers Engage Clients and Develop Communities Around Workday</td>
<td>How well does the service provider engage clients and develop client communities around Workday?</td>
</tr>
<tr>
<td>How Service Providers Incorporate Client Feedback</td>
<td>How have service providers taken feedback and incorporated that feedback into their services?</td>
</tr>
<tr>
<td>Real-World Delivery Solutions</td>
<td>Does the solution provided compare favorably to the service agreed upon when taking into account the delivery of services for each sub-process and geographic footprint and scale?</td>
</tr>
<tr>
<td>Actual Delivery of Services for Each Sub-Process</td>
<td>Taking into account each sub-process and the entire macro process, does each sub-process add up to the successful delivery of the service being provided?</td>
</tr>
<tr>
<td>Scale of Planning, Implementation, and Management Capabilities</td>
<td>Does the service provider have scale in Planning, Implementation, and Management Capabilities regarding Workday, including the availability of certifications at all levels?</td>
</tr>
<tr>
<td>Usefulness of Services to Specific Client Needs of All Sizes</td>
<td>How flexible and experienced are providers when tailoring solutions based on client size, location, and type of solution (end to end and single point)?</td>
</tr>
<tr>
<td>Flexibility to Deliver End-to-End Solutions and Single-Point Solutions</td>
<td>How flexible are providers with delivering multi-process end-to-end solutions versus single-point solutions?</td>
</tr>
<tr>
<td>How is the Service Provider becoming a Broker of Capability for the Client</td>
<td>How well the service provider is able to source expertise from all available sources, both internally and externally, to address capability gaps.</td>
</tr>
<tr>
<td>Talent Development</td>
<td>The service provider’s ability to attract and retain key Workday skills</td>
</tr>
</tbody>
</table>
## Blueprint Scoring Definitions: Innovation

<table>
<thead>
<tr>
<th>INNOVATION</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vision for Value Delivery</strong></td>
<td>The strategy for the delivery of services to each part of the value chain of processes.</td>
</tr>
<tr>
<td><strong>Innovation in Commercial Models to help Clients Write Off Legacy</strong></td>
<td>Offering flexible solutions to assist clients to move to the cloud.</td>
</tr>
<tr>
<td><strong>Using Design Thinking To Enable the Change Management of Workday Clients</strong></td>
<td>Understanding the business context to reimagine processes aligned with meeting client needs.</td>
</tr>
<tr>
<td><strong>Vision for Workday’ Effectiveness in Clients</strong></td>
<td>What is the vision of the service provider for the evolution of its Workday services offering, and how will it contribute over time to client effectiveness and value creation?</td>
</tr>
<tr>
<td><strong>Ability to Leverage Value Drivers</strong></td>
<td>How well have providers integrated value drivers into their services? Examples include third-party solutions, internal investments, and more.</td>
</tr>
<tr>
<td><strong>Integration of Partner Capabilities into Workday Solutions</strong></td>
<td>How well does the provider leverage new technologies/enhancements, mobility functionality, and cloud capabilities into its solutions?</td>
</tr>
<tr>
<td><strong>Investment in Proprietary Tools, Accelerators, and Solutions</strong></td>
<td>What is the provider doing to invest in proprietary capabilities, tools, accelerators, and other solutions to enhance the value of Workday for clients?</td>
</tr>
<tr>
<td><strong>Capabilities for Providing Accessible &amp; Actionable Data to Customers</strong></td>
<td>Applying analytics technologies, processes and resources onto relevant data sets to derive insights that can help improve an enterprise.</td>
</tr>
<tr>
<td><strong>Strategy for the deployment of Intelligent Automation</strong></td>
<td>Using of automation and cognitive computing to blend analytics, talent, and technology.</td>
</tr>
</tbody>
</table>
Service Provider Grid
Guide to the Blueprint Grid

To distinguish service providers that show competitive differentiation in a particular line of delivery with progress in realizing the As-a-Service Economy of business outcome-oriented, on-demand, talent + technology services, HfS awards these providers the As-a-Service Winner's Circle designation.

<table>
<thead>
<tr>
<th>As-a-Service Winner's Circle</th>
<th>EXECUTION</th>
<th>INNOVATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>shows excellence recognized by clients in the Eight Ideals in both execution and innovation</td>
<td>Collaborative relationships with clients, services executed with a combination of talent and technology as appropriate, and flexible arrangements</td>
<td>Articulates vision and a “new way of thinking,” has recognizable investments in future capabilities and strong client feedback, and is driving new insights and models</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>High Performers</th>
<th>EXECUTION</th>
<th>INNOVATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>demonstrate strong capabilities yet lack an innovative vision or momentum in execution against the vision</td>
<td>Execute some of the following areas with excellence: worthwhile relationships with clients, services executed with “green lights,” and flexibility when meeting clients’ needs</td>
<td>Typically, describe a vision and plans to invest in future capabilities and partnerships for As-a-Service and illustrate an ability to leverage digital technologies and/or develop new insights with clients.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>High Potentials</th>
<th>EXECUTION</th>
<th>INNOVATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>demonstrate vision and strategy but have yet to gain momentum in the execution of it</td>
<td>Early results and proof points from examples in new service areas or innovative service models, yet lack scale, broad impact, and momentum in the capability under review.</td>
<td>Well-plotted strategy and thought leadership, showcased use of newer technologies and/or roadmap, and talent development plans</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Execution Powerhouses</th>
<th>EXECUTION</th>
<th>INNOVATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>demonstrate solid, reliable execution, but have yet to show significant innovation or vision</td>
<td>Evidence of operational excellence; however, still more of a directive engagement between a service provider and its clients.</td>
<td>Lack of evident vision and investment in future-oriented capability, such as skills development, “intelligent operations,” or digital technologies.</td>
</tr>
</tbody>
</table>
Major Service Provider Dynamics: Highlights

**EXECUTION**

- **Account Management:** Strong account management that creates a partnership with clients is a critical capability to ensure client satisfaction. Many of the service providers in the Blueprint have good account management skills, but clients were particularly complimentary about *Collaborative Solutions, DayNine, NGA Human Resources (NGA HR), Aon Hewitt, Appirio and PWC*. DayNine clients appreciated its ability to provide proactive guidance and best practice advice.

- **Scale of Design, Implementation, and Management Capabilities:** Workday’ service clients are increasingly looking for service providers who have capabilities outside of North America, particularly in Europe and APAC. Service providers with that stood out for their international reach include *Accenture, DayNine, Deloitte, IBM, KPMG, Mercer and PWC*.

- **Talent Development:** All Workday services partners face a talent shortage challenge, especially outside of North America. The partners that stood out in this Blueprint for investing in people and skills include *Accenture, Aon Hewitt, Collaborative Solutions, DayNine, IBM and everBe*.

**INNOVATION**

- **Vision for Workday Effectiveness:** Having a vision for where the processes supported by Workday are headed in the future is an important element of innovation. In particular being able to guide clients on their cloud journeys, while linking results to business focused outcomes is particularly valuable. We saw this vision come out particularly clearly in *Accenture, Aon Hewitt, Appirio, Collaborative Solutions, DayNine, Deloitte, IBM, PWC and Mercer*.

- **Investment in Tools:** Developing tools that facilitate and enhance Workday deployments will continue to be differentiators for service providers in this market. We were particularly impressed with the investments made by *Accenture, DayNine, Deloitte, KPMG, OneSource Virtual, PWC, Mercer and Hexaware*. In addition, providers that stood out for their ability to leverage value drivers from across their company, like analytics and mobile, include *Accenture, Deloitte, IBM and PWC*. 
Service Provider Profiles
HfS Workday Services Value Chain: Key to Profiles

Value Chain coverage is indicated by orange shading. A light-orange shading indicates that the service provider partially offers this service today or it is in growth stage. A white box with black lettering indicates that the service provider does not offer this service today.

**Full Value Chain Offered**

- Plan
- Implement
- Manage
- Operate
- Optimize

**Key**

- Fully Offered Today
- Partially Offered Today/In Development/Growth Area
- Not Offered Today

- All profiles include some facts and statistics about each service provider’s Workday services practice.
- The list of partnerships is not comprehensive, as some service providers have many partnership arrangements. The profiles provide some examples of the key partners for Workday services.
- The number of clients and engagements are guidelines for buyers, as service providers may count these differently. For example, some are more strict about only counting client numbers rather than separating out each, individual engagement with each client.
### Deloitte Winner’s Circle

**Largest pool of certified consultants, supported by strong functional and technical skills across IT services**

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<tr>
<th>PLAN</th>
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#### Blueprint Leading Highlights
- Quality of Account Management Team
- Incorporate Feedback
- Geographical Scale and Capabilities
- Flexibility to Deliver Both End-to-End Solutions and Point Solutions
- Investment in Tools

#### Acquisitions/partnerships
- **Acquisitions:**
  - Aggressor LLC (2012)
  - Berrin (2012)
  - FCTP & Indica Talent and Performance (Netherlands, 2015)
  - Casey Quirk (2016)

- **Partnerships:**
  - Partners include, but not limited to:
    - Payroll Providers: AOP, SafeGuard, NGA HR
    - BPO Providers: OneSourceVirtual
    - Cloud Application Providers: Salesforce.com, Apttus, Anaplan
    - Saas & Data integration Providers: MuleSoft, Dell, IBM

Deloitte targets large, multi-national enterprises of 10,000+ employees (5,000+ for Financials or Platform), with specific focus on complex, global and country client transformation and implementation projects.

**Geographic Coverage:** US, UK, Canada, India, Australia, Japan, Continental Europe, Other APAC and LATAM countries.

**Industry Coverage:** All sectors, with focus on Life Sciences and Healthcare; Technology, Media, and Telecommunications; Consumer and Industrial Products; Financial Services; Higher Education

Some publicly disclosed clients include:
- AbbVie, Christiana Care Health System
- QBE Insurance Group Limited, University of Rochester, Yale University

#### Key Clients

**Partner Since:** 2009
- **Number of Employees in Workday Services Practice:** 1,200+
- **Number of Certified Workday Consultants:** 950+
- **Average Number of Certifications Per Consultant:** 2.1
- **Total Number of Clients:** 130+
- **Total Number of Projects/Ongoing Engagements:** 300+

Key delivery locations for Workday practice:
- US: all major cities, Delivery Center in Orlando (FL)
- India: Hyderabad, Bangalore, Mumbai, New Delhi, Canada
- UK: London, Belfast (delivery center)

Also 7 hubs across North America, EMEA, Japan, India and Australia specifically for Workday.

#### Operations

- **Technology Tools and Platforms**
  - **Integration library with integrations for jump-starts - 5,000+ client integrations completed**
  - **ConnectMe Portal – context engagement and HR operations / service centre platform Accelerated Selection Methodology:** for Cloud Technology solutions
  - **Hoover:** data migration tool
  - **Divestitool:** tool to accelerate M&A and divestiture implementations
  - **CLIPS:** Integration accelerators
  - **Cloud COE Simulator:** “a full project day in the life” training for consultants and clients.
  - **ThinkTank collaboration tool with country configuration requirements**
  - **LaborWise:** rapid analysis on enterprise spending and identification cost reduction opportunities (assists in funding of Workday projects)

#### Challenges
- **Perception of Lack of Management Services:** Buyers are not always aware of Deloitte’s post deployment support services. They should be aware that Deloitte has invested in building in-region delivery centers to strengthen its application management services offerings as this market matures. While most of its Workday services business is still from implementation work, Deloitte’s application management services business is also steadily growing.
Market Wrap-Up and Recommendations
Service Provider Selection

Why this service provider? The top reasons clients we spoke to selected their service provider were:

- Historical relationship
- Cultural alignment
- Service provider leadership engagement
- Technical expertise, specifically in change management
- Payroll services capabilities
- Strong project leads and account management teams
- The opportunity to interview project teams during selection
- Geographical capabilities outside of North America
- Workday recommendation
- Commitment to delivering and supporting Workday. Two clients highlighted the difference between a service provider ‘offering Workday’ and ‘living Workday.’
Service Provider Satisfaction and Challenges

**Satisfaction:** The top strengths clients listed for their service provider included:

- Solid experience
- Technical Skills
- 100% focus on Workday
- Flexibility
- Strong approach and methodology
- Strong account management team
- Collaborative approach, listening to the client’s needs and ambition
- Leveraging all the skills of the provider, including outside of the Workday services practice
- Consistency of project team
- Project management tools
- Responsiveness
- Post production support capabilities

**Challenges:** The top challenges clients listed for their service provider included:

- Scarce resources to deploy and support Workday FM
- Scarce resources in particular geographies
- The inability to provide a holistic view across the HR and/or Finance process, and across the two together. Consultants were often too specific module focused
- The need to challenge the client. Many service providers were able to implement client requirements, but often the clients would have valued more push-back and be encouraged to consider an alternative approach.
- Different country statutory regulations knowledge
- Documentation standardization
Recommendations: Enterprise Buyers

- **Stay abreast of ecosystem changes:** Buyers need to stay in touch with Workday and generally do research on the latest capabilities of Workday service partners. Just this past year there has been a lot of consolidation, and all partners have invested in new capabilities to demonstrate commitment and differentiation in this market. Buyers should enter RFP processes with an open mind, as many clients we spoke to admitted that they were surprised at the outcome, and some selected a provider they had not heard of before.

- **Check real experience:** Buyers should check the real experience of the service provider delivery team. The number of certified consultants is a good indication of the service provider’s commitment to supporting Workday projects, but the onus is on the buyer to check the true experience of the team proposed for their project. We spoke to clients who appreciated the ability to review CVs of each team member before selecting the service provider.

- **Make sure all locations are adequately supported:** Buyers should check the availability of service provider resources in all the geographical locations required. It could be that a project managed from the buyer’s headquartered site, with some ad hoc deployment of consultants to local sites is sufficient. But if more local assistance is required, buyers need to make sure that the service providers have the relevant skills in the relevant location. Alternatively, buyers should contract locally based consultants for in-depth knowledge on local specifics, such as time management requirements in different European countries.
Recommendations: Enterprise Buyers (2)

- **Push service providers to share best practice:** Buyers should challenge their service provider account management and project management teams to share best practices based on their experience with other clients. A pure technical implementation is not as valuable as acquiring a deep understanding of how to better run HR and/or finance processes.

- **Make the effort to connect with peers:** Buyers should also attend conferences and forums, to connect with peer enterprises to gain valuable insight into project experience and best practice learnings. The Workday Rising conference is a good setting for this and some service providers facilitate client conversations here.

- **Clarify requirements upfront:** Buyers should clarify exactly which services they require from the service provider upfront. Some buyers we spoke to complained of a lack of a lengthy strategic session with the service provider, and yet admitted that they were 100% focused on achieving a fast Workday deployment.

- **Start with the Workday journey conversation:** Buyers should take the time to understand what is involved in a Workday deployment, and the product and services roadmap. This way they are prepared for what they are embarking upon, as well as knowing which additional products and services are available to them in the future. In addition, if buyers required additional services, for example an additional module deployment, or management services, they would be aware if their initial service provider had this capability. This could save time and effort on running unnecessary RFP processes, depending on the capability and satisfaction with this service provider.
Recommendations: Enterprise Buyers (3)

- **Consider consulting and management services:** To get real business value from a Workday deployment, it needs to be tightly aligned to the client’s HR and/or finance strategy and it needs to continue to have this alignment post deployment. Buyers should explore service providers’ consulting and ongoing management services offerings that support client business outcomes. In particular, several service providers have invested in developing and strengthening ongoing support services offerings to provide continued support in a flexible manner. In other words, clients have the option to have any level of support, from calling a help desk to having a consultant on-site for a few days to assist with a particular problem.
Recommendations: Service Providers

- **Demonstrate commitment**: Despite the Workday services ecosystem being a closed market, by invitation from Workday only, it is still a very competitive market. Many clients told us that they prefer to work with a specialist provider that is 100% focused on Workday. Other providers need to demonstrate that they Workday services practice is committed to investing in Workday services skills to remain competitive.

- **Work within the client ecosystem**: Integrating Workday with other solutions is one of the most important and challenging skills to master in engagements. This often requires service providers to work with other suppliers, for example the client’s payroll provider, to ensure a smooth integration of Workday enterprise-wide. Clients appreciate service providers who are able to work well with other providers.

- **Be forward thinking**: Implementation consultants who understand the implications of managing the applications they are configuring and management services consultants who understand how the application was deployed can bring maximum value to a client. Service providers should operate rotation programs for consultants to work in implementation, management and even sales positions to be able to provide more valuable advice to clients. In addition, service providers who know that the client will deploy the Student or Payroll application next year for example, should prepare for this, technically and in terms of resources, in present deployments.
Recommendations: Service Providers (2)

- **Share innovation:** Service providers should help clients to understand how Workday fits into their broader HR and/or finance and overall cloud strategy. Conversations should therefore not solely focus on technical implementations. Service providers who can bring expertise in predictive analytics, mobile, security and other related areas add real value to the client experience.

- **Market capabilities:** Service providers need to raise awareness of their capabilities to remain competitive as the Workday services market grows. Buyers are not always aware of individual Workday service partner capabilities and focus. In this past year all service providers have enhanced their offerings. They should communicate this to existing clients to increase the chance of continued business and with prospective clients and Workday to ensure being considered for all relevant RFPs in the future.

- **Hire local talent in Europe and APAC:** As service providers expand their Workday services to Europe, and to a lesser extent to the APAC region, they should invest in hiring local talent. While most Workday deployments are executed from a central, often client headquarter site with remote deployments to all other sites, local resources are still very relevant. They may need to tweak certain aspects of the solution, and an understanding of specific country HR laws across Europe, for example, would be a strong differentiator for service providers in this region. Low cost centers located in offshore or nearshore locations continue to offer valuable skills, including configurations, integrations and support services. However, upfront consulting engagements as well as some support services may require onsite assistance.
Recommendations: Service Providers (3)

- **Invest in industry approach and solutions:** Service providers should invest in developing industry specific capabilities to achieve differentiation in the Workday services market. While HR is still considered to be largely a horizontal market, service provider industry expertise is more important for some finance managers. Going forward, service providers will need to strengthen their industry sector capabilities to support both Workday HCM and Workday FM engagements to demonstrate commitment to assisting clients to meet their desired business outcomes. These investments would include hiring consultants who have deep understanding and experience of particular industry sectors, as well as developing industry focused tools and technologies to enhance Workday deployments.

- **Invest in talent acquisition and retention programs:** Demand outstrips supply in the Workday services market. Service providers need to invest in talent acquisition and retention programs to attract and keep the best talent.

- **Invest in training consultants to have a holistic view of the process(es):** Service providers should hire consultants with business function understanding. Clients want service providers to transform their operations and learn best practices to manage their HR and finance functions. Service providers have opportunities to train consultants across Workday modules to be able to provide a holistic view of the HR or Finance process – or even across both of these. This will prove to be a real differentiator in the market going forward.
Recommendations: Service Providers (4)

- **Target phase 2 engagements:** Clients entering phase 2 deployments do not necessarily use their initial implementation partner. There are therefore opportunities for additional module implementation and especially for management services for all of the service partners in the ecosystem.
Workday Services in the As-a-Service Economy
Workday Services Are Incorporating the Ideals of the As-a-Service Economy

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<tr>
<th>IDEAL</th>
<th>AS-A-SERVICE IDEAL DEFINITION</th>
<th>NON-EXISTENT</th>
<th>INITIAL</th>
<th>EXPANSIVE</th>
<th>EXTENSIVE</th>
<th>ALL-PERVASIVE</th>
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<tr>
<td>Write-Off Legacy</td>
<td>Using platform-based solutions, DevOps, and API ecosystems for more agile, less exception-oriented systems</td>
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<td>2016 2017</td>
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<td>Design Thinking</td>
<td>Understanding the business context to reimagine processes aligned with meeting client needs</td>
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<td>Brokers of Capability</td>
<td>Orienting governance to source expertise from all available sources, both internally and externally, to address capability gaps</td>
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<td>2016 2017</td>
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<td>Collaborative Engagement</td>
<td>Ensuring relationships are contracted to drive sustained expertise and defined outcomes</td>
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<td>2016 2017</td>
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<td>Intelligent Automation</td>
<td>Using of automation and cognitive computing to blend analytics, talent, and technology</td>
<td>2016</td>
<td>2017</td>
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<tr>
<td>Accessible and Actionable Data</td>
<td>Applying analytics technologies, processes and resources onto relevant data sets to derive insights that can help improve an enterprise</td>
<td></td>
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<td>2016</td>
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<td>Holistic Security</td>
<td>Proactively managing digital data across service chain of people, systems, and processes</td>
<td></td>
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<td>Plug and Play Digital Business Services</td>
<td>Plugging into &quot;ready to go&quot; business outcome-focused, people/process/technology solutions with security measures</td>
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About the Authors
Khalda De Souza
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Overview
- Khalda De Souza covers developments in IT and BPO across Europe for HfS and globally covers the emergence of services around software as a service (SaaS) offerings.
- She has extensive experience in providing strategic advice to both IT services providers and customer organizations globally. For providers, this includes, but is not limited to, channel strategies, product positioning, competitive intelligence, market trends, and forecast analysis. For clients, Khalda has provided insightful guidance on sourcing and vendor selection strategies.

Previous Experience
- Prior to HfS, Khalda was a senior-level IT services research analyst at Gartner for nearly 20 years. In that time, she managed European research for several areas, including network and IT security and business applications. Khalda has led key research deliverables, such as Magic Quadrants for both Europe and global markets at Gartner.

Education
- Khalda has a BSc. from Aston University in International Business and French.
About HfS Research

HfS Research is The Services Research Company™—the leading analyst authority and global community for business operations and IT services. The firm helps enterprises validate their global operating models with world-class research and peer networking.

HfS Research coined the term The As-a-Service Economy to illustrate the challenges and opportunities facing enterprises needing to re-architect their operations to thrive in an age of digital disruption, while grappling with an increasingly complex global business environment. HfS created the Eight Ideals of Being As-a-Service as a guiding framework to help service buyers and providers address these challenges and seize the initiative.

With specific focus on the digitization of business processes, intelligent automation and outsourcing, HfS has deep industry expertise in healthcare, life sciences, retail, manufacturing, energy, utilities, telecommunications and financial services. HfS uses its groundbreaking Blueprint Methodology™ to evaluate the ability of service and technology providers to innovate and execute the Eight Ideals.

HfS facilitates a thriving and dynamic global community of more than 100,000 active subscribers, which adds richness to its research. In addition, HfS holds several Service Leaders Summits every year, bringing together senior service buyers, providers and technology suppliers in an intimate forum to develop collective recommendations—for the industry and add depth to the firm’s research publications and analyst offerings.

Now in its tenth year of publication, HfS Research’s acclaimed blog Horses for Sources is the most widely read and trusted destination for unfettered collective insight, research and open debate about sourcing industry issues and developments. Horses for Sources and the HfS network of sites receive more than a million web visits a year.

HfS was named Analyst Firm of the Year for 2016, alongside Gartner and Forrester, by leading analyst observer InfluencerRelations.