

Digital Workplace: A Market Evolution and Vendor Perspective

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Guests: **John Brownridge**, principal, Digital Workplace offering leader, Deloitte Consulting LLP
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Burt: Welcome to the Capital H podcast, where we explore the latest trends and developments to make work better for humans and humans better at work. I'm your host, Burt Rea, leader of Deloitte Consulting's US Culture Transformation offering and also host of Deloitte's Human Capital HR Executives debrief series. In part one of our Digital Workplace series, we heard from John Brownridge and Courtney Sherman, the leaders of Deloitte's Digital Workforce and Applied Design offerings. And Bruce Sanchez, the global lead of sales,

learning and development technology at Dell. During this conversation, the leaders discuss the role of human-centered design within Deloitte's digital workforce journey and how Dell's business experience shifted from customer experience design to workforce experience design. In part two, John will return to the podcast and speak with Deloitte's Chris Havrilla to discuss the digital workplace solutions market and how organizations can work to establish an intentional technology mix.

John: Welcome back to the Capital H podcast. I'm John Brownridge, and I'll be facilitating today's conversation, which is part two of our digital workplace series. In part one, I spoke to Courtney Sherman, a leader of applied design in Deloitte's innovation practice, and Bruce Sanchez, a global leader of sales, learning and development technology at Dell, to discuss their digital workplace journey, beginning with business outcomes and workforce experiences. Today we'll be discussing trends in the digital workplace vendor

landscape and considerations for how organizations can create an intentional technology mix based on desired experiences and business outcomes in this rapidly evolving landscape.

Today, there's a multitude of software solutions poised to accommodate the new hybrid workforce and workplace model. It's a crowded and growing marketplace. In fact, there are over 1,400 vendors offering solutions in this space. And, of course, despite the ever-expanding and ever-changing landscape, there's no single vendor that can do it all. In this emerging multi-billion-dollar industry, platform giants are battling it out to own their version of a digital workplace solution, while startup innovators are eager to fill overlooked niche capabilities. Because of this complex landscape, we've invited my friend and colleague Chris Havrilla to join today's discussion.

Chris leads the human capital technology and solutions provider strategy, advisory, and research practices for Deloitte consulting. She helps us demystify the ever-changing HR technology landscape for both organizations and solution providers. Whether serving as a practitioner or as a consultant and advisor, she remains intensely focused on radically improving organizational strategy, technology, and leadership in the realms of work, workforce, and workplace. It's great to have you with us here today, Chris. Would you mind sharing a little bit about your role as a leader of Deloitte's HR technology analyst team?

Chris: Absolutely. I'm so glad to be here and I love this topic. The exciting part to me is the ability to really study the tech landscape from every angle. So, super fortunate to be able to study this from a vendor perspective, from a consumer perspective and who's buying this technology and how are they applying it to get to these outcomes, but also to partner with you and your team and all the Deloitte teams on the questions that they're trying to answer for our clients as well.

John: Thanks, Chris. So could you give us, our listeners, some background on the research efforts that you and your team have recently conducted into their digital workplace solutions market?

Chris: Absolutely. To your point, there's literally over 1,000 vendors in this space and then kind of deep dive into the ones that we really think are making headway in the market and really helping companies get to those outcomes that they were doing. We kind of start broad, look at all the vendors, and then go deeply. And that's what we did with roughly 15 vendors in this space.

And the goal was really to understand market vision and strategy, what they're really hoping to solve for, key capabilities that they have, and really what their differentiators are as well. And then we look at what their vision is for the future, whether it's from their road map or where they're really starting to think about questions that they've been unable to answer but they really wanna start to do, all as it relates to the digital workplace in this specific landscape.

The approach we take when we go and look at a landscape like we did with this one is really to allow our team to capture a more holistic understanding of what the key market trends and themes are and where the kind of points of connectivity and opportunity areas are within that market, all with a focus on solving for some of these big issues that we're seeing that specifically a digital workplace might help address.

John: Thank you. Did you notice any trends related to how different providers are thinking about this space, positioning and solutioning the digital workplace market?

Chris: Absolutely, it's been interesting watching this space evolve because there are really different types of solutions supporting the problems and issues that this space is trying to address. And whether it's from the large, human capital platform perspective, whether it was from

legacy, intranet, or portal perspective, and certainly from a workspace perspective and where people are collaborating, all trying to come at this from different ways.

And what was really, really interesting, and one of the reasons I was so excited about this podcast is because there's all this variability and definition and approach to the market. And we really saw two categories emerging in this segment. It was really kind of forming a continuum really coming down to what is a platform of work? What supports the work I'm trying to do? And then how are we coming together to get work done?

So really kind of interesting to see these different approaches and perspectives, and also how they're starting to come more and more together in the tech landscape space. People seeing, wow, we need to address this, how people work together side. So maybe if I'm a work platform, I'm starting from that way. Or maybe if I'm more of a how people come together for work, I need to start thinking about how at an individual level a worker might get things done. So it's fascinating to see how these solutions are starting to address the needs in the space, but also the different languages we're all talking about and how work gets done.

John: Having seen some of this great research that you and your team have done, I thought it was pretty interesting how we're seeing, although maybe originally these two angles that vendors are coming from, but they're really reaching across the aisle to come to a singularity in the middle. That's what we're seeing in some of the moves some of these vendors are making through internal development of new products and also acquisition to potentially fill gaps in their solution ecosystem. Do you see that as something that's gonna continue and at what rate do you think that will continue?

Chris: Absolutely. I think it's gonna be at a pretty rapid rate because while the primary business worker issues that are trying to get solved that these two different

approaches are addressing, and because they're slightly different, we're starting to see that the capabilities start to overlap and blur and we see, and I think the vendors are starting to see, and the buyers are starting to see, and that's kind of what we're hoping to do with calling this out, we think there's a huge opportunity here to maybe educate everybody on how these things are coming together, because they're both super critical.

So helping, whether it's the buyers or the vendors in the space, understand these different approaches, there's a significant opportunity to pull these things together so we're all talking about the right thing, which is how do we make work better for people and people better at work. And we talked a lot about that, how we ensure alignment, whether it comes from the organizational side, from the worker side, from the vendor side who are trying to help solve for these things. I think it's gonna continue to speed up because we have to look at it from a worker perspective, but also how work gets done in these teams and collaborations.

So the more those things come together and we start realizing all of those things are important, we're gonna continue to see this speed up from a vendor side, trying to address it, but also how HR and IT and the business come together to start solving for this from a pure outcomes perspective and not just what these individual capabilities really present.

John: You said something interesting there, and you mentioned it a little bit before as well, around HR technologies. The digital workplace is broader than HR. What are your thoughts around how the vendors are addressing the reality of employee experience? And if you look at employee experience truly from a human-centered perspective, then silos don't exist; functions don't exist. It's about the experience. So how are you seeing vendors respond to that trend in the market as organizations mature their capability around experience, digital experience and otherwise, what are you seeing them do?

Chris: I'm so glad you picked up on that, because that definitely came up a lot when we were studying this space in our conversation with the solution providers, because they've always looked at it from a perspective, like a buyer persona. For a long time, we kept telling them everywhere that we're seeing with high-performing organizations, HR and IT were coming together. So while some of the vendors were still very focused on whether they were selling into HR or IT, most really did acknowledge the value of that cross-functional approach with that sole outcome of being experienced.

Because IT has a different lens on what experience is, HR has a different lens on what experience is, and whether one's more human focused or one's more capability focused, they both need each other to come together. And what was really cool about studying the space from the vendor perspective is their recognition of this not being as much about, okay, who's gonna sign that check and who is the buyer, but how this actually comes together for outcomes.

We're not still seeing that readiness on the buyer side to adopt this approach, but I think that's where we're seeing the help that you guys are providing in the surface lines, but also where solution providers are pushing that needle a little bit too. Not just from a worker experience, but from a really holistic customer, partners, suppliers. When we really start talking about that social enterprise, we're gonna start to see outcomes we haven't seen in the past because we're more focused on outcomes versus functionality and checkboxes.

John: Actually that kind of dovetails into my next question. So for organizations that are thinking about the digital workplace and potentially thinking about an evaluation or even doing an evaluation in this space, what are the important things for them to keep in mind as they evaluate essential providers in this digital workplace strategy space?

Chris: I really do think that it is that outcome focus. We did a whole research study around technology strategy for this reason. Getting that pivot from functionality and capabilities and all the things that we've talked about, but really focusing on outcomes with how we work at the center. And that's what I would really suggest that people think about when they're evaluating potential provider partners to support their digital workplace strategies, keeping that outcome in mind, and then having their partners really show them how do we get to that? What does that look like systemically? Generally speaking, we found much of the core functionality surrounding these systems is pretty broadly available across the board.

At any one point we might see maybe a 2% differential in those features and functionality, but the real differentiation between the actual systems themselves is how it's applied. How are they using it? How are they working differently because of it? How are they embracing this technology as literally a part of their team itself and the alignment with what they're trying to accomplish? And we're super excited about this because we really would like to see people moving away from this kind of standard RFP capability checklist as that primary evaluation mechanism and really moving towards a more strategic conversation.

When they're grounded in that, the right people are coming to the table, and we're focused on that journey, from a more human perspective, because we're really thinking at that outcome level because we know, tools don't solve problems, people do.

John: So, through all your research and your knowledge, what excites you most about the future state capabilities that are coming in this space and the potential for innovation over the next few years?

Chris: Well, there's so much right now, but we talk about this at Deloitte in a lot of our work. But IT and tech and tools have always been thought from kind of a substitution mindset. We're purely thinking about cost and how we replace things. And I think one of the things that technology, because it's moving so rapidly, we're able to start talking about things that have more meaning and value. And so this expanded notion of value is really, really catching on, not only from the vendor side, but also those who are buying and consuming this technology and focusing on value, which is why we're starting to see more and more talk beyond productivity.

We're talking about experience, we're talking about making things better for people, making work better for people and people better at work. We're starting to see vendors delivering metrics and insights that really go beyond things like just pure productivity. So it's expanding the notion and the aperture for a buyer as well. Certainly, we're getting more and more to that end on insights versus reporting. We're not just reporting metrics, but we're talking about insights. We're making insights more actionable and not just delivering actionable insights, but really, really starting to see vendors understanding, if we see what people are doing and what actions they're taking and we lay this technology

down on that to see what's working better and what the correlations are, that will continue to evolve as well.

So we went from metrics, to insights, to actionable insights, and now we're starting to see maybe people measuring what those actions really did, and that's gonna help continue to make all of us better at work and work better for people as well. How do we connect you to the work and the outcomes better? And that is some of the most exciting stuff that I see. And seeing the vendor space pushing that even more, but also that buyers are looking at technology in a different way to collaborate with it, it's just an exciting time right now.




John: We're coming to the end of the podcast. Thank you so much, Chris, for sharing your perspectives today. And if people benefited from this discussion and would like to hear more on this topic, please let us know. Thank you for spending some time with us. This is John Brownridge signing off.

Burt: A big thanks to John Brownridge and Chris Havrilla. It was incredibly valuable to listen to your discussion and I'm sure our listeners appreciated your ability to demystify the HR technology landscape and provide us with a more holistic understanding of key trends, themes, and

points of connectivity driving the digital workplace market. In addition to tuning into our podcast series, you can learn more about digital workplace at Deloitte's latest report with Gartner, titled "The Digital Workplace Reimagined." Thanks for listening and stay tuned for our next episode.



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