Workday-based Human Resources Business Process Services (HR BPS) – Climbing up the HR Operating Model Maturity Curve

Human Resources Outsourcing (HRO)
Market Report – July 2019

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- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Membership information

- This report is included in the following research program(s)
  – Human Resources Outsourcing (HRO)
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com, unitedkingdom@everestgrp.com, or india@everestgrp.com

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This report is based on the below key sources of proprietary information

- Everest Group's proprietary database of **500+ Workday-based HR BPS deals**
- The database tracks the following elements of each Workday-based HR BPS deal:
  - Buyer details including industry, location, and signing region
  - Deal details including Total Contract Value (TCV) and Annual Contract Value (ACV), contract term, start date, buyer employees served, and primary pricing structure
  - Scope: Process coverage and geographic coverage (employees covered by each region)
  - Technology ownership and maintenance
  - Global sourcing

- Proprietary database of 10+ Workday-based HR BPS service providers
- The database tracks the following for each service provider:
  - Revenue and number of FTEs
  - Number of clients and buyer employees
  - Recent HRO-related developments
  - Revenue split by region
  - Location and size of delivery centers
  - Technology offerings within HRO

- **Service provider briefings**
  - Vision and strategy
  - Annual performance and future outlook
  - Key strengths and improvement areas
  - Emerging areas of investment

- **Buyer reference interviews, ongoing buyer surveys, and interactions**
  - Drivers and challenges for adopting workplace services
  - Assessment of service provider performance
  - Emerging priorities
  - Lessons learnt and best practices

Service providers assessed[1]

accenture   alight

Capgemini   CONDUENT

DXC.technology   HR Path. Your way to people success

IBM   NGA Human Resources

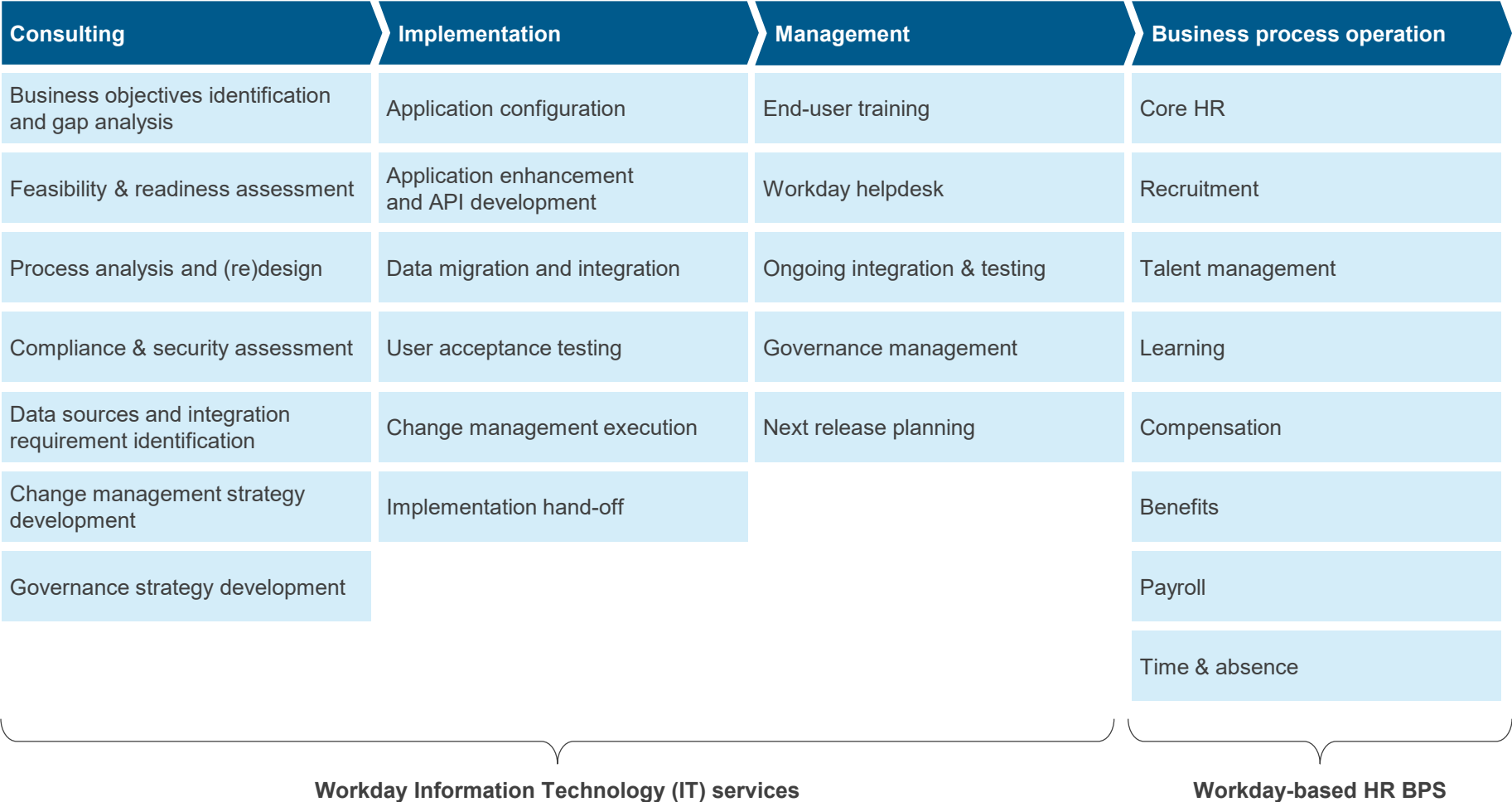onesource VIRTUAL   WNS Extending Your Enterprise

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Everest Group's Workday-based HR Business Process Services (HR BPS) value chain

Workday services value chain

Consulting	Implementation	Management	Business process operation
Business objectives identification and gap analysis	Application configuration	End-user training	Core HR
Feasibility & readiness assessment	Application enhancement and API development	Workday helpdesk	Recruitment
Process analysis and (re)design	Data migration and integration	Ongoing integration & testing	Talent management
Compliance & security assessment	User acceptance testing	Governance management	Learning
Data sources and integration requirement identification	Change management execution	Next release planning	Compensation
Change management strategy development	Implementation hand-off		Benefits
Governance strategy development			Payroll
			Time & absence

Workday Information Technology (IT) services   **Workday-based HR BPS**

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Overview and abbreviated summary of key messages (page 1 of 2)

This report examines the global Workday-based HR BPS market and the reasons why it is such a fast growing market. The report also brings into attention the various stages of HR operating model maturity and how bringing in a global cloud-based HCM system can help enterprises move up that curve. It focuses on the market size and growth, changing market dynamics, and service provider landscape. The report also highlights the key strategic tenets of the service providers when they approach a Workday-based HR BPS deal.

Some of the findings in this report, among others, are:

Evolution of the HR operating model

- Enterprises need to reimagine their HR operating model to mitigate the key challenges plaguing today's HR function and drive strategic business outcomes
- Cloud-based HCM is a crucial transformational lever for enterprises planning to progress along the stages of HR operating model
- Enterprises are yet to fully materialize the benefits of their Workday implementation through in-house service delivery – thus creating a demand for Workday-based HR BPO

Market overview and adoption trends

- Workday-based HR BPS market has a promising future as increasing number of enterprises are shifting toward HR BPS to reap full benefits of Workday
- Workday-based HR BPS market is moving toward larger buyers with average deal size witnessing a sharp growth
- While North America continues to be the largest consumer of Workday HR BPS with more than two-thirds of market share, we expect a high growth rate of adoption in Europe and Asia Pacific
- BFSI and Hi-tech & telecom are the leading adopters of Workday HR BPS, collectively constituting around ~40% the market

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Solution characteristics

- Enterprises prefer a single service provider with end-to-end capabilities, which has translated into the rise of large complex deals having bundled ITS + BPS components
- Workday's native digital technologies are relatively less mature, hence, service providers are adding on to Workday's native capabilities through external partnerships and investments
- Workday's payroll module is adopted primarily in North America and less in other geographies due to its limited availability. Learning and recruitment are expected to gain popularity with increasing maturity
- Although output-based pricing is predominant, outcome-based pricing is expected to gain traction as a pricing construct in Workday-based HR BPS deals

Service provider landscape

- Alight leads the Workday-based HR BPS market with a share of ~43%. Alight, Accenture, NGA HR, and OSV together constitute 85% of the market
- While Alight leads in North America with ~60% market share, NGA HR is a leader in Europe, and Accenture tops the list in Asia Pacific and Latin America
- NGA HR has clocked maximum growth and established a significant presence in the mid-market. Alight has grown its presence in the large market over the last year or so. OSV maintains its strong position among small and mid-sized buyers

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This study offers four distinct chapters providing a deep dive into key aspects of Workday-based HR BPS market; below are four charts to illustrate the depth of the report
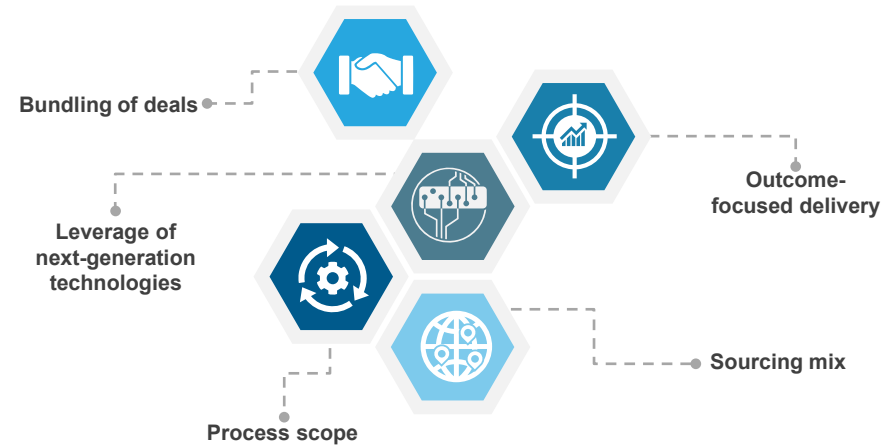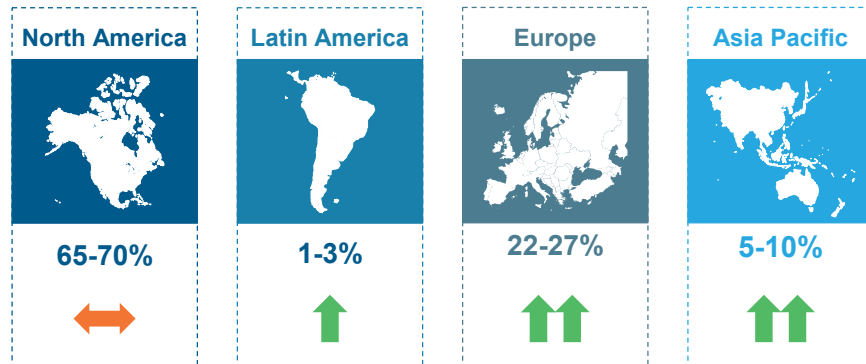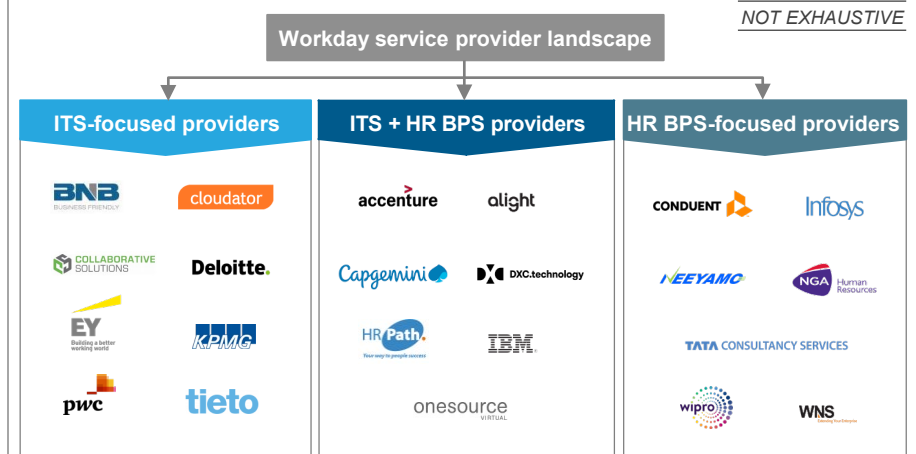
Stages of HR operating model

State 1
Fragmented HR operating model

State 2
Centralized HR operating model

State 3
Cloud-based HR operating model

State 4
Next-generation HR operating model

Features

State 1
- Decentralized HR organization
- Fragmented and localized back office functions

State 2
- Centralized HR organization
- Multiple / on-premise platforms
- Locally configured processes

State 3
- Single global / cloud-based HCM solution
- Increased self-service adoption
- Global view & reporting
- Low levels next-generation technologies

State 4
- Personalized employee experience around moments that matter
- Significant leverage of next-gen technologies
- Business-centric vision and strategy
- Proactive in innovation and design

Workday-based HR BPS deal characteristics

- Bundling of deals
- Leverage of next-generation technologies
- Process scope
- Outcome-focused delivery
- Sourcing mix

Workday-based HR BPS adoption by geography

North America
65-70%

Latin America
1-3%

Europe
22-27%

Asia Pacific
5-10%

Service provider landscape

NOT EXHAUSTIVE

Workday service provider landscape

ITS-focused providers
- BNB BUSINESS FRIENDLY
- cloudator
- COLLABORATIVE SOLUTIONS
- Deloitte.
- EY Building a better working world
- KPMG
- pwc
- tieto

ITS + HR BPS providers
- accenture
- alight
- Capgemini
- DXC.technology
- HRPath Your way to people success
- IBM
- onesource VIRTUAL

HR BPS-focused providers
- CONDUENT
- Infosys
- NEEYAMO
- NGA Human Resources
- TATA CONSULTANCY SERVICES
- wipro
- WNS

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Research calendar – Human Resources Outsourcing (HRO)

■ Published ▓ Planned ⌐⌐ Current release

Flagship HRO reports	Release date
Multi-Country Payroll Outsourcing (MCPO) – Service Provider Profile Compendium 2019	October 2018
Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Landscape with PEAK Matrix™ Assessment 2019	January 2019
Multi-Country Payroll Platform- Provider Landscape with PEAK Matrix™ Assessment 2019	January 2019
Multi-Process Human Resources Outsourcing (MPHRO) – Annual Report 2019	January 2019
Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Profile Compendium 2019	January 2019
Workday-based Human Resource Business Process Services (HR BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2019	June 2019
Workday-based Human Resource Business Process Services (HR BPS) – Market Report 2019	**July 2019**
Workday-based Human Resource Business Process Services (HR BPS) – Service Provider Profile Compendium 2019	Q3 2019
Multi-Country Payroll Outsourcing (MCPO)– Service Provider Landscape with PEAK Matrix™ Assessment 2019	Q3 2019
Multi-Country Payroll Outsourcing (MCPO) – Annual Report 2019	Q3 2019

Thematic HRO reports	
Key Ingredients for a Successful Digital-First HR Transformation	October 2018
The Mid-Market HCM Landscape in Asia Pacific	April 2019
Achieving Employee Experience – a "How-to Guide" for Enterprises (part 1 of 3)	March 2019
Employee Experience Suites – The Catalysts Driving Superior Employee Experience (part 2 of 3)	June 2019
Learning Function of the Future	Q3 2019
Startups Redefining Employee Experience (part 3 of 3)	Q3 2019

Note: For a list of all of our published HRO reports, please refer to our website page

Additional HRO research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Key Ingredients for a Digital-First HR Transformation** (EGR-2018-24-R-2830); 2018. The HR function is facing a wave of transformation. There is a need to move away from the traditional ways of managing workforce to a flexible, fluid, and integrated HR operating model. This report provides a comprehensive analysis of the key transformation levers for a successful digital-first HR transformation. It also highlights the advantages of the levers and their current adoption in HRO deals. The report mentions some HR specific use-cases for which the transformation levers can be effectively leveraged

2. **SuccessFactors-based Human Resources Business Process Services (HR BPS) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018** (EGR-2018-24-R-2675); 2018. This research provides comprehensive coverage of the 2017 SuccessFactors-based HR BPS market and analyzes it across various dimensions such as market overview, buyer adoption trends, solution trends, and service provider landscape. Based on the comprehensive Everest Group PEAK Matrix, each of the 11 service providers are segmented into Leaders, Major Contenders, and Aspirants. This report also contains Everest Group's remarks on each of the 11 service providers' strengths and areas of improvement

3. **Achieving Employee Experience – a "How-to Guide" for Enterprises (part 1 of 3)** (EGR-2019-24-R-3120); 2019. Using a five-step approach to adopt, expand, and scale employee experience projects, this guidebook taps various frameworks, such as Employee Experience Model (EEM), to empower enterprises to conceptualize where they want to go with enterprise employee experience, what capabilities they need to develop to get there, and the ideal path for their journey. It also evaluates winning strategies for building employee experience capabilities and generating greater impact.

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About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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