



# Workday Next Generation HCM Technology

Vendor Assessment  
Report Abstract

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## Who Is This Vendor Assessment For?

NelsonHall's HCM Technology Vendor Assessment for Workday is a comprehensive assessment of the Workday HCM platform offering and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of HCM technology and identifying vendor suitability for HCM technology RFPs
- Vendor marketing, sales, and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the HR Technology sector
- HR and payroll decision makers.

## Key Findings & Highlights

Workday, Inc. headquartered in Pleasanton, CA is a provider of cloud-based HR and finance software through a SaaS (software as a service) model.

Formed in 2005 by Dave Duffield and Aneel Bhusri (formerly of PeopleSoft), Workday launched its Human Capital Management (HCM) product offering in November 2006 and a beta version of Workday Financial Management in August 2007.

In May 2008, Workday signed its first large contract with Flextronics; the deployment of its HCM software was completed by December 2011, for ~200k employees across ~25 countries. By September 2009, Workday had 100 clients in 46 countries.

In March 2010, Workday expanded its offering to include talent management, offering clients a unified, single system of record for both talent management and core human capital management. Workday launched an initial public offering in spring of 2012 and began trading on the NASDAQ stock exchange under the ticker WDAY in October 2012.

Although Workday has been organically developed on a single platform, code line, and database, it has made a number of acquisitions to boost its capability. Exhibit 1 lists the acquisitions Workday has made since its inception.

As of April 2019, Workday was supporting >2.7k Workday HCM and >675 Workday Financial Management clients, and ~39m users, including >50% of the fortune 50 and >40% of the Fortune 500 are Workday subscribers.

Workday's cloud-based HCM software offering provides the following modules and high-level features:

- Core HR
- Talent management
- Compensation
- Benefits
- Workday Absence Management
- Recruiting
- Learning

- Payroll
- Time Tracking
- Workday Prism Analytics
- Adaptive Insights

Workday's cloud architecture centers on its "Power of One" approach, maintaining one source for data, one client community, one security model, and one experience for all clients. Workday leverages a multitenant architecture, allowing all clients to be on the same version of the software.

Workday has historically reinvested ~30% of its annual revenues in product development and innovation; in FY19, it invested 33% of revenues or \$1.2bn in product development.

As of April 30, 2019 (Q1FY20) Workday had ~11k employees globally (~2k in EMEA, ~400 in APAC) and ~1k certified consultants.

Workday supports and engages its clients with several programs designed to provide service options to enhance their experience with its applications. These include 24x7 support, a professional services ecosystem that consists of our Workday consulting teams and system integrators trained and certified on the Workday application, and a client success management group to assist clients in production. As well as an online community to facilitate collaboration among clients and with the Workday product development teams. (Workday achieved a 98% client satisfaction rating for FY 19).

In 2017, Workday announced it would 'open' its platform to enable third-parties to build apps to enhance user connection of key applications to the Workday platform. Through this open platform approach, Workday enables clients and third-parties to build add-on capabilities to enhance the Workday experience. It envisions an "app store" of pre-built applications and integrations that will be accessible to its user community.

Workday leverages a global ecosystem of consultants and consulting partners who use a standard methodology to deploy its applications. Workday considers its partners as essential to its growth and its go-to-market strategy and continually expands its partner network to include additional service and software providers

Workday segments and targets the market as follows, (~40% of its client base falls into the middle enterprise segment):

- Small enterprise: <500 employees
- Middle enterprise: 500 to 3000 employees
- Large enterprise: >3000 employees.

As of April 2019, Workday served ~2.7k clients (~70% of which are live), ~39m users in >200 countries and >30 languages, and has traditionally been highly adopted by the middle enterprise and small enterprise market segments, though it continues to see strong



## Scope of the Report

The report provides a comprehensive and objective analysis of Workday's Next Generation HCM Technology offering, capabilities, and market and financial strength, including:

- Identification of the company's strategy, emphasis, and new developments
- Analysis of the company's strengths, weaknesses, and outlook
- Revenue estimates
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's offerings and key service components
- Analysis of the company's delivery organization including the location of delivery locations.

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## Report Length

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