



IDC MARKETSCAPE

IDC MarketScape: Worldwide Integrated Talent Management 2014 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES: ORACLE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Integrated Talent Management 2014 Vendor Assessment



Source: IDC, 2014

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Integrated Talent Management 2014 Vendor Assessment (Doc #252213). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents a vendor assessment of the integrated talent management market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate the vendor's ascendancy. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and one another and highlights the factors expected to be the most influential to success in the market, both short and long term. Key findings include:

- In 2013, aggregate pricing rose dramatically over 2012. Aggregate pricing in 2014 shows signs of moderation at the high end where the number of modules and the number of employees is high. It is apparent that stiffer competition for enterprise business is driving pricing concessions, while smaller deals are still commanding a premium.
- According to IDC's 2014 *Survey of HR Executives*, client perception increased almost universally for all vendors. In particular, client perceptions of feature depth and for integration of talent systems with core HR were more positive than last year. This highlights the work the competitive field has done in seeking parity in capabilities. R&D investment and for using what is sold were also rated well as vendors catch up with internal adoption of new modules.
- The competitive field is exceedingly close and getting closer all the time. Many attempts at differentiation are centering right now on HR analytics. The challenge is that with everyone pursuing similar tactics, the results are proving to be indistinguishable. In addition to HR analytics, most players are delivering or working on delivering consumerlike user experiences (UXs). But again, if everyone is doing it, no true differentiation materializes. So what can differentiate the field? In IDC's view, it will be by getting clients to approach talent differently. This may mean getting HR to radically overhaul the performance process or to abandon outdated compa-ratio-driven compensation. It will mean a blend of technology and thought leadership brought to fruition through forward-thinking CHROs willing to shake up the status quo.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The criteria for inclusion of vendors in this IDC MarketScape analysis are as follows:

- Vendors must have solutions for a minimum of four of the five major talent management functions of recruiting, learning, performance management, career and succession planning, and compensation in general release as of March 31, 2014.

- Vendors must have a minimum of 750,000 employees/users live on a combination of two or more of the major talent management functions of recruiting, learning, performance management, career and succession planning, and compensation.

ESSENTIAL BUYER GUIDANCE

The vendors covered here all offer viable alternatives. Given a fairly equitable competitive landscape, HR buyers are advised to examine areas that resonate for them to make a decision that makes most sense to their unique circumstances:

- **Begin any talent project by assessing your organization's talent culture and maturity.** Your organization may lean toward being a recruiting culture if your industry is characterized by regular high turnover or as a learning culture if regular training to maintain skills is of topmost concern. Talent maturity can be established by assessing what holes exist in current coverage of the various talent functions and by how well various stakeholder functions integrate (e.g., recruiting and HR administration). Knowing culture and maturity can help the team establish key pain points and priorities for where to begin.
- **Consider incumbent solutions already in place.** Are those colleagues using that incumbent vendor's solution satisfied? If you are using a vendor for one or more talent areas such as recruiting or learning and users of that solution are satisfied, look to see whether that vendor offers the other functionality you need. If there are multiple incumbents, which one is bringing the highest level of satisfaction?
- **Think big talent picture.** Rather than considering a point solution for a single pain point, look at your full talent management portfolio. Acquiring a set of disparate talent management modules may solve today's immediate need, but such a decision will yield multiple talent profiles and a disconnected flow of talent information. Bring in all the stakeholders to drive toward a solution that will open up a fluid exchange for talent management.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and opportunities.

Oracle Talent Cloud

According to IDC analysis and buyer perception, Oracle Cloud is an IDC MarketScape Leader worldwide.

Oracle Talent Cloud includes a full set of cloud-based talent management offerings such as recruiting and onboarding, learning, performance and goal management, succession and development planning, talent reviews, and compensation planning. IDC estimates Oracle Talent Cloud has 5,500+ customers. Special lightweight versions of some products are offered for SMB customers with <3,000 employees (not covered in this analysis). Oracle Talent Cloud leverages underlying technology from Oracle and Taleo, which Oracle acquired in April 2012. Taleo established itself as a frontrunner in cloud recruiting

after its founding in 1998; five years ago, it built a robust suite of performance management products and, in 2010, the company acquired Learn.com. Meanwhile, Oracle has delivered a broad set of core HR and talent management solutions in the cloud using its Fusion technology. Oracle brought these teams together, and the teams are now harmonizing the user experience and incorporating Oracle's strong offerings for mobile and tablets (Oracle Fusion Tap), social collaboration (Oracle Social Network), and business intelligence (Oracle Business Intelligence), as well as Taleo's strong integration platform. Oracle offers these products through its expanded, dedicated global field teams, and it collaborates with its network of partners providing integrated solutions (via Oracle Validated Integrations [OVI]) as well as systems integration and consulting services.

Strengths

Oracle's strengths include strong integration with core HR, clear vendor viability, global reach, and R&D. Oracle Cloud received positive client feedback for richness of functionality and reporting and analytics.

Challenges

Oracle Talent Cloud is built for multitenancy; however, it is offered as a single tenant. From a messaging standpoint, this could be a challenge when competing against those vendors offering multitenancy.

Oracle is publicly traded on Nasdaq: ORCL.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape chart represents the market share of each individual vendor within the specific market segment being assessed.

Current capabilities are very close among the vendors covered, as indicated by the clustering on both axes. The majority of vendors now offer all of the major talent management modules. A growing number of vendors are staking out leadership positions, with many more challenging from the IDC MarketScape Major Player category.

The vendors covered in this analysis come from varied backgrounds. Some come to the talent management market from a talent acquisition perspective, some from a learning management market, and some from the overall HRIS or ERP market. There are also those vendors that began their market entry with performance management or compensation. No one background dominates another. As the market has matured from a buyer perspective, the offerings continue to mature with ever-narrowing market differentiation. Vendors are beginning to set themselves apart less on the core offering and more in the areas of mobile, social, and analytics.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

IDC conducted an end-user survey, completed in March 2014, of 503 HR executives of firms with 100+ employees. Included in the survey were specific questions about vendors covered in this analysis. Questions included satisfaction with a variety of factors including, but not limited to, depth and completeness of solution, appropriateness of delivery model, comfort with upgrade release schedules, integration, and customer service.

Note: All numbers in this document may not be exact due to rounding.

Market Definition

IDC defines talent management as those functions that serve to attract, develop, reward, and retain the workforce. Made up of a variety of functions, talent management includes the areas of recruiting and staffing, learning and development, performance management, compensation management, and career and succession planning, all supported by a base of competency management and assessment.

IDC depicts talent management as a continuous circle to represent the interdependency of the various functions.

This IDC MarketScape focuses on the market for solutions and services serving all of the talent management functions through a single integrated end-to-end offering. While talent management is

still a young market, it is beginning to mature, with greater market penetration. It is a market that has gained and continues to gain a lot of attention and is of interest to both buyers and suppliers.

The business imperative to tie talent strategies to business objectives and outcomes has created a market category for integrated talent management solutions. Providers come to this market from a variety of backgrounds – some from learning and development, some from talent acquisition, some from the broader HR systems market, and some from compensation and performance – each looking to meet the end-to-end talent management need.

The integrated talent management market focuses on bringing all of the major talent management functions together on a single technology platform with a common shared database and underlying architecture. In the absence of a single solution, employers often don't exchange data across the various talent functions at all or do so manually. As a result, organizations cannot take advantage of the benefits of integration. HR and managers are frustrated by a lack of information and the need to do manual work and workarounds.

For the purposes of this study, the talent functions considered integral to a single integrated solution are:

- **Recruiting and applicant tracking.** Those capabilities needed to manage job openings and potential candidates for those openings, both internal and external
- **Employee performance management.** Management of the goals and objectives and skills of the position to provide ongoing feedback to the employee on progress
- **Learning and development.** Assessment of skills gaps, prescription of learning and development activities to fill gaps, and delivery of learning content
- **Compensation management.** Management of salary planning and tools to ensure equitable policies are applied (In this study, deep incentive-based compensation used largely for sales is not in scope.)
- **Career and succession planning.** Sometimes thought of as internal recruiting – on the succession side at the initiation of the employer and on the career side at the initiation of the employee (Both are designed to have the right people ready to ascend from within.)

Underlying these is competency management that offers the common language needed to describe talent and the ability to apply assessments to gauge readiness and to assist in the recruiting process.

Each of the talent functions is important in its own right, but bringing them together provides even greater value to each and in total. The potential benefits are too numerous to cover, but as examples, consider the integration of performance management and other talent functions and the resulting capabilities:

- Performance with recruiting can offer an initial talent profile – built from those excelling in the position – with which to seek the right new candidates.
- Performance from and with recruiting can help employers build a quality of hire metric that is truly performance based.

- Performance with learning helps prescribe remediation for areas of weakness and also to highlight and grow on strengths.
- Performance with compensation helps set and monitor salaries and incentives that are performance based.
- Performance with career and succession helps identify the path for the individual and identify future leaders.

It is important to note that this study focuses on integration and the intersection points and not on any one talent function.

LEARN MORE

Related Research

- *2014 Human Capital Management Survey: HCM Buyer Actions and Plans* (IDC #250389, August 2014)
- *Worldwide Human Capital Management Applications 2013 Vendor Shares: Total Market, Core HR, Workforce Management, Recruiting, Learning Management, Performance Management, and Compensation Management* (IDC #248742, May 2014)
- *Worldwide and U.S. Human Capital Management Applications 2014-2018 Forecast* (IDC #248745, May 2014)
- *Worldwide and U.S. HR Management Services 2014-2018 Forecast* (IDC #247912, April 2014)
- *IDC MarketScape: Worldwide Integrated Talent Management 2013 Vendor Analysis* (IDC #242562, August 2013)
- *Worldwide and U.S. Talent Acquisition and Staffing Services 2013-2017 Forecast and 2012 Vendor Shares: Market Flattens as New Models Emerge* (IDC #240576, April 2013)

Synopsis

This IDC study represents a vendor assessment of the integrated talent management market through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in this market. This IDC MarketScape covers a variety of vendors participating in the integrated talent management market. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and one another and highlights the factors expected to be the most influential for success in the market, both short and long term.

"Positive client perception increased universally for all vendors, according to IDC's 2014 *Survey of HR Executives*. In particular, client perception of feature depth and for integration of talent systems with core HR rose significantly. This highlights the work that the competitive field has done in seeking parity in capabilities," says Lisa Rowan, research vice president, HR, Talent, and Learning Strategies for IDC. "The competitive field continues to tighten as the market matures making differentiation ever harder to achieve."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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