



The Business Value of Deploying Workforce Management Solutions

Research Report

Cognanta, August 2019



Seventy-four percent of organizations that participated in Cognanta's recent survey reported that their markets have become more competitive over the last 12 months. Additionally, 53% of these organizations view employee experience as a competitive differentiator. To improve their market position, organizations are taking a hard look at all key aspects of their business and looking to streamline their business processes, drive innovation and optimize use of their resources.

The research also shows that 61% of organizations are looking to use technology as a source of competitive advantage. However, many of them are still struggling with finding the right role that technology can play in supporting their business strategies and impacting their key goals. Cognanta's research around deployments of Workforce Management (WFM) technologies shows strong alignment between the value proposition of these solutions and some strategic goals that organizations are looking to achieve.

Key Challenges Around Workforce Management

Figure 1

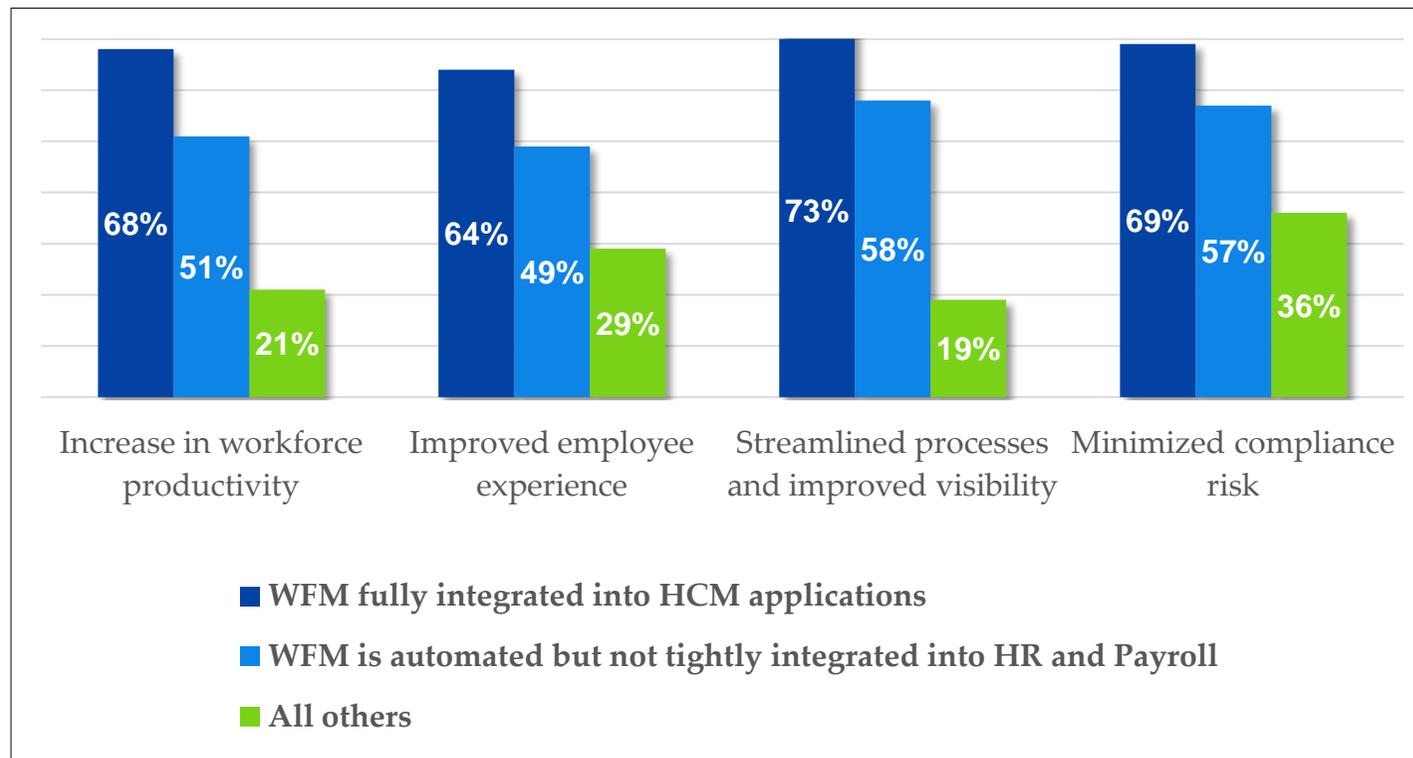
In June and July of 2019, Cognanta conducted a survey of more than 500 organizations to explore challenges, opportunities, capabilities and best practices around deployments of WFM technologies. Figure 1 shows that organizations are experiencing challenges in several major areas.



What organizations that are reporting these challenges have in common is the lack of capabilities for automating WFM processes. Many of these organizations are still using manual processes, which leads to a lack of accurate data and too much time spent on tasks that can be either automated or completed through self-service.

The research also analyzed the performance of organizations that are deploying WFM solutions and compared that to their peers who do not deploy this type of technology. The data showed (Figure 2) a strong impact of these solutions in four major areas:

Figure 2 – Percentage of end-users experiencing performance improvements



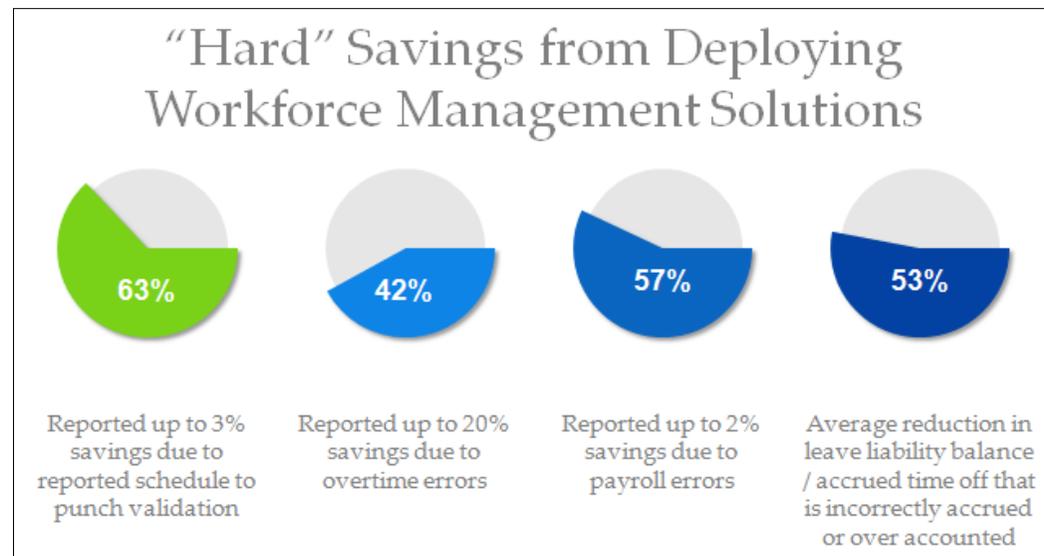
Business Benefits of Deploying Workforce Management Solutions

Cognanta's research shows that the majority of organizations are familiar with the value proposition of WFM solutions, but 68% and 63% of them are reporting the inability to build a business case and a lack of executive buy-in, respectively, as the challenges for investing in these technologies. Since the value of WFM solutions touches many areas where organizations can achieve measurable business benefits, it is difficult for them to conduct a self-assessment and identify what the opportunity cost is, measured in dollars and cents, of not deploying WFM technologies.

To create the business case for deploying WFM solutions, these organizations should look into their peers' experiences to see who is already reaping the benefits from these technologies. Cognanta's survey shows that users of WFM technologies are experiencing operational benefits that have direct impact on hard and soft cost savings, especially for hourly employees (Figure 3).

18% - Average leave liability balance that might be incorrectly accrued / over-accounted

Figure 3

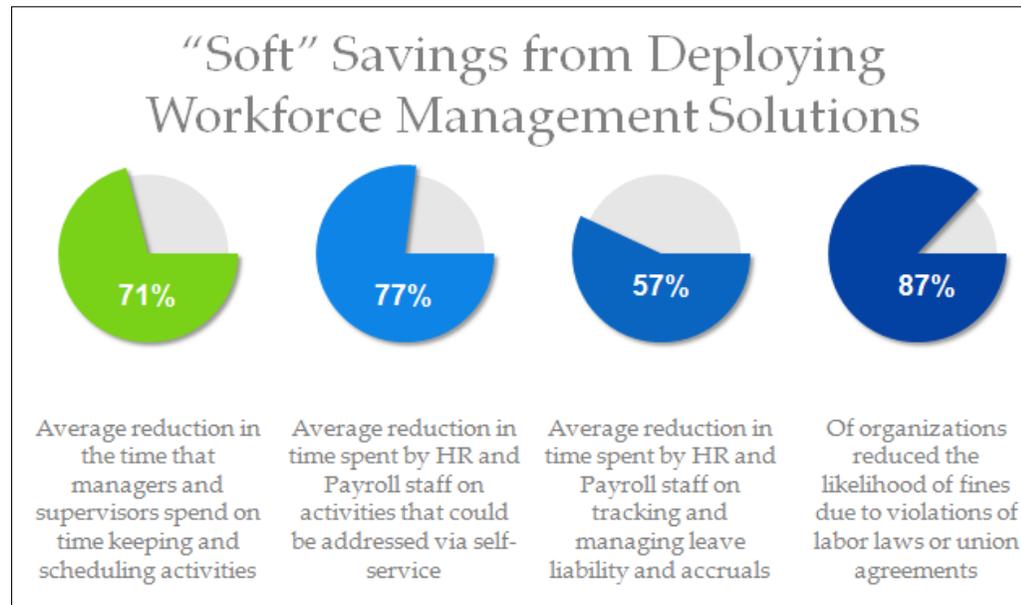


Organizations are reporting that not only do WFM solutions fairly quickly pay for themselves, but more importantly they are seeing a return on investment (ROI), on average, between 2x (for automated, but not tightly integrated into other HCM applications) and 3.5x (for fully integrated into HCM applications) in the first three years of deploying the solution, just for hard cost savings

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Figure 4

Savings based on productivity improvements are sometimes not as visible to organizations and could be difficult to calculate, but forward thinking organizations that conducted their own internal analysis showed results that investments in WFM solutions can be covered in three years or less by savings in productivity improvements only.



53% of organizations view employee experience as a competitive differentiator.

Summary

Creating a business case for deploying WFM solutions is a process that takes an effort from organizations on two fronts: 1) understanding their internal processes in key areas that can be automated and optimized and 2) educating themselves about practices of forward thinking organizations in this area and the benefits that they are experiencing.

The research shows that the best approach for deploying WFM solutions is to leverage them as an integrated part of a Human Capital Management (HCM) transformation strategy. Expected ROI of deploying WFM solutions integrated with HR and Payroll ranges from 2x to 3.5x, on average, which justifies the investment in the entire suite. Even though organizations that are deploying automated WFM solutions that are not strongly integrated with HCM applications, such as Payroll or HR, are still experiencing significant improvements, deploying WFM solutions as an integrated part of a broader HCM suite leads to even higher business benefits.

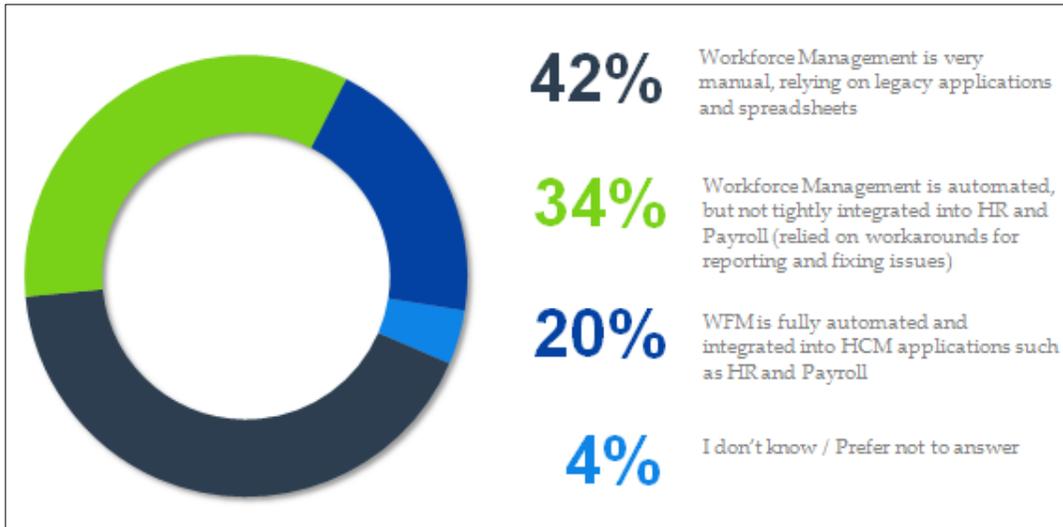
Cognanta's research also shows that organizations are increasingly adopting a new model for business and technology budgeting that can be summarized as Run, Grow and Transform (RGT). Based on that model, they are looking for strategies to reduce resources allocated to keeping their businesses running so they can improve their market position by having more resources available for transformation and growth. Business benefits that organizations are experiencing from deploying WFM solutions fit perfectly into that model and the strategy behind it. Cost savings and process improvements from WFM deployments make these solutions best-of-breed and show that these technologies have a strategic importance when it comes to creating competitive advantage and achieving desired business outcomes.

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- for the purposes of this study, productivity and efficiency savings assumes salaried employees will redirect their time and efforts to more strategic tasks -

Research Demographics

This research is based on end-user survey of 521 organizations conducted by Cognanta in June and July of 2019



Geography

- ✓ 74% North America
- ✓ 11% EMEA
- ✓ 9% APAC (inc Australia and /NZ)
- ✓ 6% Latin America

Job Role

- ✓ 31% Human Resources
- ✓ 28% Payroll
- ✓ 13% Finance
- ✓ 12% Operations
- ✓ 10% IT
- ✓ 6% Other

Industry

- ✓ 16% Professional and financial services
- ✓ 14% Manufacturing
- ✓ 12% Healthcare and health services
- ✓ 11% Retail
- ✓ 10% IT
- ✓ 10% Public sector / education / non-profit
- ✓ 5% Oil, Gas, Utilities
- ✓ 24% Other

Company Size

- ✓ 15% Less than 1,000
- ✓ 46% 1,000 - 4,999
- ✓ 28% 5,000 – 10,000
- ✓ 11% Above 10,000