SEPARATING THE WALK FROM THE TALK WITH WORKDAY

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THE BOTTOM LINE

Of all the stars in technology for human capital management (HCM), Workday’s always seems to shine the brightest. Listen to the vendor, and it’s easy to believe that Workday’s product trounces all the competition, in all ways. But Nucleus listened to users, and encountered feedback that runs counter to the image we see and hear of Workday.

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In business lore, the story of Peoplesoft expatriates’ launch of Workday is the stuff of legend, a perfect modern-day analogy for the ancient Biblical account of David’s slaying of Goliath. Many years ago, against its leadership’s wishes, Peoplesoft became Oracle’s property. Most observers correctly saw the event as a hostile, cynical move by Oracle to remove the competition. Oracle did keep the name Peoplesoft, which helped to feed the narrative.

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How good was Peoplesoft? Surely its legend is cemented in the oral history of HCM. When Peoplesoft was the rage, Nucleus analyzed the vendor’s merits on several occasions. The results were mixed. That’s old news. The product’s soul rose from those ashes. Peoplesoft’s founders called their new company Workday and today face Oracle head-to-head in new business deals all the time.

It’s a good story. But how good is Workday? It depends, and this answer hardly provides the all-but-promised exclamation point for Workday’s all-too-apparent raison d’être. The vendor has a legitimate product worth considering, and
sometimes, Workday walks the walk. In looking through our large archive of analyses of technology deployments in HCM, however, Nucleus found that in critical ways the vendor only talks the talk. Functionality at the epicenter of HCM does not support the hype (Nucleus Research r97 – Value in HCM ripples from the epicenter outward, May 2017). The vendor is aggressive in the way it requires payment for implementation. Details follow of where Nucleus believes Workday walks the walk – and where the vendor just talks the talk.

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THE WORKDAY SOLUTION

The Workday solution consists of functionality for core HR, payroll, time tracking, benefits administration, talent management, talent acquisition, workforce planning, analytics, and learning. All but learning resides in a single module. The Workday suite spans ERP financials, too. Depending on the area in question, functionality can be thin. Delivered via software-as-a-service (SaaS), the solution lives in a public, multitenant cloud (Nucleus Research q172 – HCM Technology Value Matrix 2016, September 2016). As one user said, “The advantage for Workday is that it’s a single system, but the challenge is that there’s a lot they can’t do.”

WHERE WORKDAY WALKS THE WALK

As with most vendors, Workday has its happy customers. For this analysis, some of the Workday users with whom Nucleus spoke were satisfied with the solution, even excited about it. Their observations and praise spanned a few areas.

FLEXIBILITY AND WILLINGNESS TO COLLABORATE

Flexibility and collaboration surfaced as positives. In deployments of Workday where users expressed satisfaction with the solution, the vendor’s flexibility in meeting their needs was a factor. So was Workday’s apparent willingness pre-deal, during discovery, to collaborate with the customer and bend things to the latter’s needs.

Flexibility and collaboration surfaced as positives.

As one user said, “Workday seemed to share the same work ethic as ours and demonstrated a willingness to develop apps and grow together. Workday was the only company that asked us, ‘What do you want and need?’”
IMPRESSIVE USER INTERFACE
Satisfied users also pointed to the user-friendliness of Workday’s solution. This makes sense. Workday’s user interface (UI) can only be described as swanky and has always been one of the solution’s biggest selling points. It stands to reason that users would experience an elegant UI and interpret this as user-friendliness; in a way, a pretty UI would seem friendly.

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As a user said, “We felt that Workday’s user interface was the most impressive among the vendors we considered. Other interfaces seemed blah in comparison. For this reason especially, we did find Workday to be more user-friendly.”

WHERE WORKDAY IS MOSTLY TALK
Other users with whom Nucleus spoke shared a less than ringing opinion of the solution. In some instances, their feedback revealed the flipside of Workday’s otherwise positive characteristics.

FUNCTIONALITY
In several areas, users noted shortcomings in the Workday solution. Some noted that capabilities in analytics lagged those of the vendor’s biggest competitors. Other users noted that the Workday UI appeared to be all show, but no go. This is the same UI that drew praise from these users’ satisfied peers.

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At the epicenter of HCM, where the essentials of employing people reside, users noted deficiencies. Specifically, they observed payroll functionality to be thin and capabilities in time and attendance to be rudimentary – good enough for a relatively homogenous workforce of salaried employees or those whose hourly schedules exhibit very little volatility from week to week. One user noted that Workday functionality does not cover advanced scheduling; the vendor will quietly turn to partners when a prospect or existing user needs this level of capability. Users said:

▪ “The main thing dissuading us from Workday was the analytics and the interfaces. It feels like bringing an Apple computer into a PC shop. The interface is swanky, but it stops there. The analytics were lacking versus other vendors we looked at.”
“Workday was lacking in depth on time and attendance. A few other elements were lacking, too.”

“Workday does learning well. They’re covering retail with a very basic, rudimentary time and attendance solution. They don’t want to do advanced scheduling.”

“Workday has a great HRIS, etc., but payroll and, especially, time and attendance, weren’t close to the capabilities we saw in [a major competitor].”

“The biggest showstopper for me was when Workday wanted to partner us with a check printing company. Our paychecks are elaborate. That was the biggest thing for me, and why we just couldn’t select Workday.”

Some users that chose another vendor over Workday in mutual deals cited the vendor’s fee model as a major factor affecting their decision.

IMPLEMENTATIONS

Implementation is another area where users Nucleus interviewed for this analysis noted problems and expressed complaints. Several users encountered some sort of confusion, glitch, or delay during implementation. In and of itself, this is hardly unique among the many deployments Nucleus analyzes in technology for HCM. However, the issue is in the way Workday requires payment for implementation.

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At the service-level agreement’s (SLA) signing, Workday will ask the new user to agree to a launch date and demand payment for implementation at its very onset. This approach is attractive to investors, who can anticipate cash flow by a guaranteed time. Other vendors that compete toe-to-toe with Workday, however, display more flexibility – for instance, accepting a portion of the payment only upon their successful completion of the implementation. Some users that chose another vendor over Workday in mutual deals cited the vendor’s fee model as a major factor affecting their decision. Users said:

▪ The vendor we went with charges a staging fee of 50 percent during implementation. The particularly great thing is that we weren’t required to pay the
remainder till the first live payroll cycle on the new solution. Workday, one of the vendors we didn’t choose, goes in the other direction on this.”

- “Workday’s revenue extraction – making you pay before you’re deployed – is its fatal flaw.”
- “We had a rocky start for payroll and some early configuration issues that Workday had to resolve with our IT department. We ended up spending an extra month preparing for deployment.”

Nucleus believes Workday’s product and service do not match the folklore behind the company.

TALK WITH WORKDAY – OR WALK?

Workday’s marketing is, as people tend to describe it, “slick.” This is the other theme that surfaced in Nucleus’s analysis. Slick marketing comes from marketing prowess, of course. Is it that far off to believe Workday’s marketing prowess has its origins in its founders? Is it that much of a stretch to believe its founders launched the marketing campaign before they launched the company? That would explain why Workday’s reputation precedes it. However, from speaking with users, Nucleus believes Workday’s product and service do not match the folklore behind the company. Functionality runs from good to bad, depending on the module. The fee model leaves some prospects hesitant. Users are finding plenty of reasons to choose something else. Employers in the market to buy technology for HCM must not let the legend of Workday preclude them from considering the competition.