

Workforce[®]

October 22, 2012

Reprinted with permission from—

MANAGEMENT

crain

ADP Pushes Further Into HR Software

ADP is making more noise in an HR software market that has heated up dramatically in the past year.

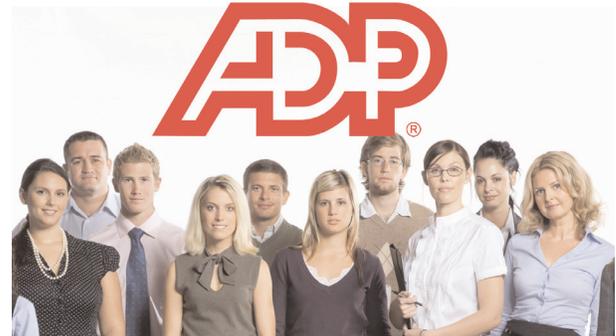
By Sarah Fister Gale

While many human resources software giants spent 2012 boasting about their shiny new cloud-based offerings, Automatic Data Processing Inc. quietly achieved a massive milestone in the human capital management category: In October it signed its 30,000th HCM client.

That may be just a fraction of ADP's 600,000 payroll clients, but it dwarfs the customer lists of many HR software competitors, including Workday Inc., which made waves with its recent initial public offering but has closer to 300 customers.

"We are now among the largest HR system providers in the marketplace," says Michael Capone, ADP's chief information officer. It's a message he admits the company could do a better job of promoting.

While everyone knows that ADP is a leader in the payroll world, many don't realize it has offered cloud-based HR software products for about a decade that support recruiting, talent management, time and attendance, and benefits administration, along with payroll. Its HR offerings include Workforce Now for companies with fewer than 1,000 employees, GlobalView for multinational organizations, and Vantage HCM, which it launched last October for companies with more than 1,000 employees. Most of



ADP's tens of thousands of HR software customers up to now have been midsize firms, though the number of larger firms is increasing since the launch of Vantage.

"I didn't know ADP offered HR solutions until I started asking questions," says Bernie Presutti, vice president of HR for National Surgical Hospitals, outside Chicago. National Surgical Hospitals, which teams up with physicians to own and operate 20 specialty surgical hospitals and has 2,500 employees, implemented ADP for payroll more than 10 years ago and is currently rolling out Vantage.

ADP is making more noise in an HR software market that has heated up dramatically in the past year. Big business application players Oracle Corp. and

The Publisher's sale of this reprint does not constitute or imply any endorsement or sponsorship of any product, service or organization. Crain Communications 732.723.0569. DO NOT EDIT OR ALTER REPRINTS. REPRODUCTIONS ARE NOT PERMITTED. #578

© Entire Contents copyright by Crain Communications Inc. All rights reserved.

SAP both bought smaller HR software vendors that had focused on delivering software through the cloud, or over the Internet. Computing giant IBM Corp. also joined the game, saying it would buy talent management provider Kenexa Inc. Fueled by companies' desire for tools to maximize the value of their talent, the market for HR applications is expected to grow 6 percent this year to \$12 billion, according to Forrester Research.

Over the years, ADP has been criticized for less-than-stellar service and hasn't been seen on the cutting edge. But the company has taken steps recently to make its software mobile-friendly. ADP also touts its combination of service experience and software advances as a strength in the shift to software as a service provided through the cloud.

GO WITH WHAT YOU KNOW

In addition, ADP is benefitting from being a go-to provider for payroll.

Many HR software providers don't offer payroll tools, choosing instead to focus on more innovative aspects of the HR process.

But payroll is the first HR system that companies outsource, and HR people like to stick with the vendors they know and trust, says Claire Schooley, a senior analyst at Forrester. "It doesn't make sense to have eight vendors for HCM," she says. "Most companies want to stay with as few companies as possible."

FROM BIG NUMBERS TO BIG DATA

ADP is taking advantage of its broad reach and massive client database to make another leap forward in the world of Big Data.

The development team has already deployed a series of analytics and reporting tools in its HR dashboards to help companies more easily track human capital. And it is currently developing predictive analytics and benchmarking tools that take advantage of the volumes of industry data it already possesses.

"The goal is to not only give clients information about their own employees, but to let them benchmark themselves against other companies in the database," Capone says.

The data will remain anonymous, but will let users see how other companies approach HR issues around time and labor, recruiting, compensation and talent development, all on-the-fly.

It's one of the reasons Presutti is eager to finish National Surgical Hospitals' roll out of Vantage. "My HR managers will be able to look at turnover and productivity by department, shift and tenure in real time," he says. "We've been looking for this kind of data for years."

Workforce Management Online, October 22, 2012

Sarah Fister Gale is a writer based in the Chicago area.

