

EXCERPT

IDC MarketScape: Worldwide Integrated Talent Management 2010 Vendor Analysis

Lisa Rowan

IN THIS EXCERPT

This IDC Excerpt is taken from the MarketScape report entitled, IDC MarketScape: Worldwide Integrated Talent Management 2010 Vendor Analysis, by Lisa Rowan, (doc# 22156). All or part of the following sections are included in this Excerpt: IDC Opinion, Situation Overview, Future Outlook, Vendor Summary Analysis, Essential Guidance, Learn More and Figures 1 & 3.

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 its 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:

- ☒ This MarketScape finds that there largely was uniform progress made by the vendors covered in this analysis. While the race has been on to complete the portfolio to cover as many talent functions as possible, not all of the individual talent offerings are themselves as deep or able to standalone, as are the core functions with which each vendor entered the market.
- ☒ Talent acquisition is still a function seen as separate from the performance suite, which sits at the core of many offerings. Buyers seeking deep recruiting capabilities are likely to continue to look to those solution providers that specialize in this area. Learning management is also seen as a specialty area. Many nonlearning-focused vendors offer capabilities on the development side — functions such as building development plans based on performance deficits. The majority, however, do not tie the development plans to true learning management.
- ☒ Reporting and presentation of information is good in most cases, but more could be done to tap the richness of information contained in a talent system. Analytics has been much discussed in the HR market, and there is an opportunity to further capitalize and differentiate on meaningful and actionable information that can come from having comprehensive talent data that has not been previously available.

- ☒ More consolidation in the talent management market is highly likely. The market is a crowded one with differentiation becoming harder to attain. As differentiation wanes and market penetration rises, it will be natural that stronger players will seek to grow client bases through acquisition.
-

IN THIS STUDY

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 a vendor's success in this emerging market.

This 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 to success in the market, both short and long term.

This study is composed of two sections. The first is a definition of what characteristics IDC believes lead to success in the integrated talent management market. These characteristics are based on buyer and vendor surveys and key analyst observations of best practices.

The second part of this study is a visual presentation of multiple vendors into a single bubble chart format. This display concisely displays the observed and quantified scores of the reviewed vendors.

The document concludes with IDC's essential guidance to support continued growth and improvement of these vendors' offerings. This document replaces *IDC MarketScape: Worldwide Integrated Talent Management 2008 Vendor Analysis* (IDC #215912, December 2008).

SITUATION OVERVIEW

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 (see Figure 1).

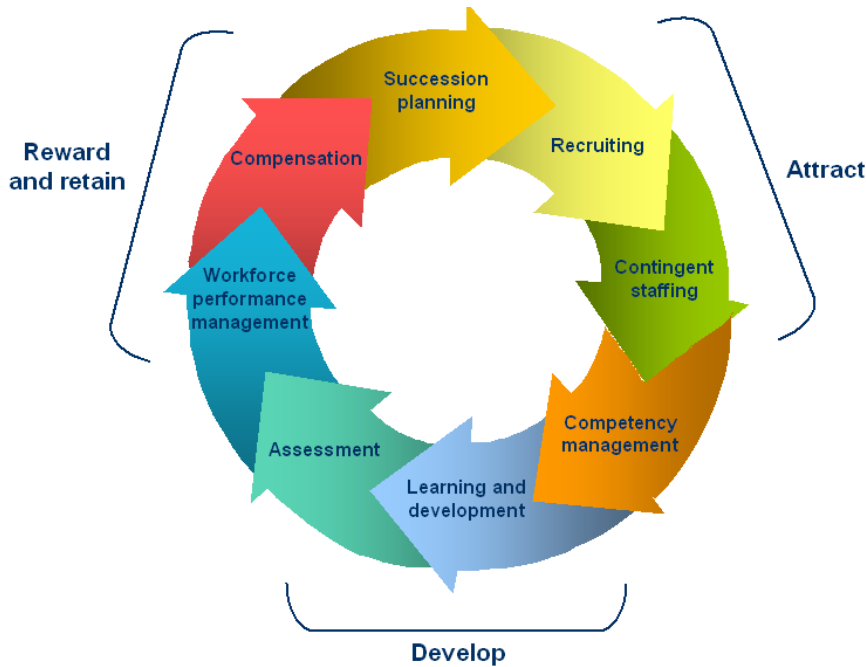
IDC depicts talent management as a continuous circle to represent the interdependency of the various functions.

This MarketScape focuses on the market for solutions and services serving all of the talent management functions mentioned in Figure 1 through a single integrated end-to-end offering. This is as yet an emerging market that is gaining a lot of attention and

is of interest to both buyers and suppliers. Subsequent sections will offer definitions and the characteristics IDC identifies as important for success in the market.

FIGURE 1

Talent Management Value Cycle



Source: IDC, 2010

FUTURE OUTLOOK

IDC MarketScape Integrated Talent Management Market Vendor Assessment

The IDC vendor assessment for the integrated talent management market represents IDC's opinion on which vendors are well positioned today through current capabilities and which are best positioned to gain market share over the next few years. Positioning in the upper right of the grid indicates that vendors are well positioned to gain market share. For the purposes of discussion, IDC divided potential key strategy measures for success into two primary categories: capabilities and strategy.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned it 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 look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

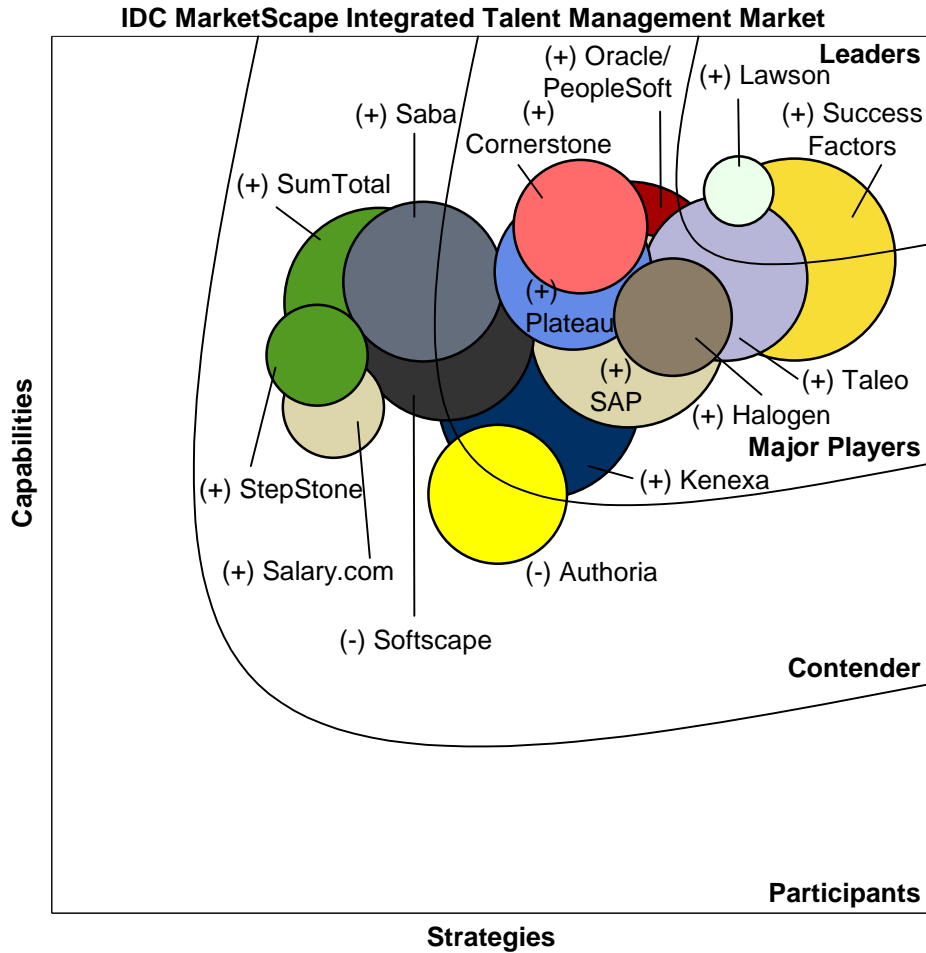
Positioning on the x-axis or strategy axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategy category focuses on high-level strategic decisions and underlying assumptions about offerings, customer segments, business, and go-to-market plans for the future, in this case defined as the next three to five years. Under this category, analysts look at whether or not a supplier's strategies in various areas are aligned with customer requirements (and spending) over a defined future time period.

IDC described above the most critical criteria for positioning on these two axes.

Figure 3 shows each vendor's position in the vendor assessment chart. The number of client lives served by two or more major talent functions (recruiting, learning, compensation, performance management, and succession/career planning) is indicated by the size of the bubble, and a (+), (-), or () icon indicates whether or not the vendor is growing faster, slower, or even with overall market growth. The market for integrated talent management is still emerging and so actual market size is an estimate, and therefore is also estimated.

FIGURE 3

IDC MarketScape Integrated Talent Management Vendor Assessment



Source: IDC, 2010

Vendor Summary Analysis

This section briefly explains the key observations that resulted in a vendor's position in the vendor assessment graph. While each vendor was evaluated against each of the strategy and capability characteristics (refer back to Tables 1 and 2), the description here provides a brief excerpt of the findings that represent the vendor's score.

Lawson Software

Lawson Software is best known for end-to-end systems in support of manufacturing, finance, and human resources processes. In the past several years, it has focused on building out new talent management capabilities from the ground up. Lawson acquired Intenia in 2005, a Europe-based manufacturing software vendor, to broaden its global reach in the key manufacturing sector. Lawson supplies ERP solutions largely but not limited to midsize buyers. It goes to market by key industries that are run as focused business units. It has had particular success in human capital management in the manufacturing and healthcare sectors.

Lawson again emerged as a market leader in this analysis. IDC sees the Lawson approach of enabling access where the individual user works as particularly noteworthy. Bringing the capability to Microsoft Outlook works well for users that are not bound to their desktop devices and sets Lawson up well as UIs become more mobile. Other strengths include global reach, industry sector expertise, and a well-focused investment in its strategic human capital offering. Lawson does not have the largest installed base and is advised to market its talent suite standalone from its HRIS system to gain share.

Lawson is publicly traded on Nasdaq: LWSN.

ESSENTIAL GUIDANCE

This MarketScape finds that there largely was uniform progress made by the vendors covered in this analysis. While the race has been on to complete the portfolio to cover as many talent functions as possible, not all of the individual talent offerings are themselves as deep or able to stand alone, as are the core functions with which each vendor entered the market. Additionally:

- ☒ Talent acquisition is still a function seen as separate from the performance suite, which sits at the core of many offerings. Buyers seeking deep recruiting capabilities are likely to continue to look to those solution providers that specialize in this area.
- ☒ Learning management is also seen as a specialty area. Many nonlearning-focused vendors offer capabilities on the development side — functions such as building development plans based on performance deficits. The majority, however, do not tie the development plans to true learning management. While they might for demo purposes tie to a small library of online content, many do not offer deeper capabilities in learning object and resource management.
- ☒ The most robust and integrated area remains the performance suite with a lot of parity across the market in goal setting, performance appraisals, 9-box comparisons, competency management, and career and succession planning. Being the greener area of the market with lower penetration than for recruiting or learning, it is no surprise that this has been the key focal point for market participants.

- ☒ Reporting and presentation of information is good in most cases but more could be done to tap the richness of information contained in a talent system. Analytics has been much discussed in the HR market, and there is an opportunity to further capitalize and differentiate on meaningful and actionable information that can come from having talent data that has not been previously available.

As seen in the recent merger of Authoria and Peopleclick with Bedford Funding, more consolidation in the talent management market is highly likely. The market is a crowded one with differentiation becoming harder to attain. As differentiation wanes and market penetration rises, it will be natural that stronger players will seek to grow client bases through acquisition.

LEARN MORE

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 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, in both the short and the long term.

"As seen in the recent merger of Authoria and Peopleclick with Bedford Funding, more consolidation in the talent management market is highly likely," says Lisa Rowan, program director, HR, Talent, and Learning Strategies for IDC. "The market is a crowded one with differentiation becoming harder to attain. As differentiation wanes and market penetration rises, it will be natural that stronger players will seek to grow client bases through acquisition."

Copyright Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, telebriefings, and conferences. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/offices. Please contact the IDC Hotline at 800.343.4952, ext. 7988 (or +1.508.988.7988) or sales@idc.com for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or Web rights.

Copyright 2010 IDC. Reproduction is forbidden unless authorized. All rights reserved.