



Market Analysis

HR Technology & Services

Cloud HR Transformation Services

Report Abstract

August 2020

By Elizabeth Rennie

Principal Research Analyst

NelsonHall

57-pages

Contents of Full Report

1. Changing Market Dynamics
2. Customer Requirements
3. Market Size & Growth
4. Vendor Market Shares
5. Vendor Offerings & Targeting
6. Vendor Delivery
7. Vendor Challenges & Success Factors

Who is This Market Analysis For?

NelsonHall's Cloud HR Transformation Services report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within the Cloud HR Transformation Service market
- Vendor marketing, sales and business managers developing strategies to target HR cloud service opportunities
- Financial analysts and investors specializing in the Cloud HR Transformation Service market .

Key Findings & Highlights

NelsonHall's market analysis of the Cloud HR Transformation Service market consists of 57-pages. The report focuses on multi-year contracts, as opposed to pure systems integration activity.

Cloud HR Transformation Services are adjusting to a FluidWorkLife era - defined by greater people engagement to support fluid individual work and homelife needs in a consumer like way, whilst addressing higher speed digital deployment through improved use of automation and technology to better manage the speed of business change and industry consolidation.

Key industry market developments include:

- In 2019, the global cloud HR transformation services market was estimated at \$5.4bn, and grew ~12.4% y/y, where supporting growth and improved employee experience was the primary driver. The wider MPHRO market in comparison experienced ~2% growth, where all growth can be attributed to Cloud HR services, organizations are no longer outsourcing services on on-premise platforms
- Over half of the Cloud HR Transformation Service market comprises payroll-related revenues that are bundled into HR service contracts. HR services bundled with HR Transformations are typically only one or two service towers, most commonly payroll and time
- In Q2 2020 the COVID19 pandemic postponed a number of large new sales and delayed signings. However, projects already underway mostly continued, albeit with remote working
- Providers that offer global services have a technology agnostic approach. Vendors that have a technology preference tend to have a regional HR service focus. Prospects are selecting cloud HR transformation services vendors primarily based on their technical proficiency with the desired cloud technology
- A significant vendor consolidation occurred in 2019 with Alight Solutions acquiring NGA HR. 2019-Q2 2020 was also a period of change in leadership across the industry, many new CEO's and leadership teams were appointed across vendors including Alight Solutions, Conduent, Capita, SD Worx and Capgemini.

Scope of the Report

The report analyzes the worldwide market for Cloud HR Transformation Services and addresses the following questions:

- What is the market size and projected growth by geography?
- What is the profile of activity in the Cloud HR Transformation Services market by industry sector?
- What are the top drivers for adoption of Cloud HR Transformation Services?
- What are the benefits currently achieved by users of Cloud HR Transformation Services?
- What factors are inhibiting user adoption of Cloud HR Transformation Services?
- What pricing mechanisms are typically used within Cloud HR Transformation Services and how is this changing?
- Who are the leading Cloud HR Transformation Services vendors globally and by geography?
- What combination of services is typically provided within Cloud HR Transformation Services contracts and what new services are being added?
- What is the current pattern of delivery location used for Cloud HR Transformation Services and how is this changing?
- What are the challenges and success factors within Cloud HR Transformation Services?

Cloud HR Transformation Services Vendor Assessments Available for:

ADP

Alight Solutions

CapGemini

Capita

Conduent

Neeyamo

OneSource Virtual

Ramco Systems

SD Worx

Zalaris

About The Author

Liz Rennie is a Principal Research Analyst with global responsibility for key HR research projects, including Cloud-Based HR Transformation, Cloud-Based Benefits Services, and The Future of HR, as part of NelsonHall's wider HR Technology & Services practice.

In this vital role, Liz assists both buy-side and vendor organizations in evaluating opportunities and capability to support HR and benefits transformation through deploying cloud-based services and redesigning HR service delivery to leverage the latest technologies offered by mobile, AI, blockchain and robotics.

Liz can be contacted at:

- Email: elizabeth.rennie@nelson-hall.com
- Twitter: [@erennie_](https://twitter.com/erennie_)



About NelsonHall

NelsonHall is the leading global analyst firm dedicated to helping organizations understand the 'art of the possible' in digital operations transformation. With analysts in the U.S., U.K., and Continental Europe, NelsonHall provides buy-side organizations with detailed, critical information on markets and vendors (including NEAT assessments) that helps them make fast and highly informed sourcing decisions. And for vendors, NelsonHall provides deep knowledge of market dynamics and user requirements to help them hone their go-to-market strategies. NelsonHall's research is based on rigorous, primary research, and is widely respected for the quality, depth, and insight of its analysis.

We would be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at guy.saunders@nelson-hall.com

Boston

Riverside Center, 275 Grove Street, Suite 2-400, Newton Massachusetts 02466
Phone: +1 857 207 3887

London

Unit 6, Millars Brook, Molly Millars Lane, Wokingham, RG41 2AD
Phone: + 44(0) 203 514 7522

Paris

4 place Louis Armand, Tour de l'Horloge, 75012 Paris
Phone: + 33 1 86266 766

Copyright © 2020 by NelsonHall. All rights reserved. No part of the publication may be reproduced or distributed in any form, or by any means, or stored in a database or retrieval system, without the prior written permission of the publisher. The information provided in this report shall be used only by the employees of and within the current corporate structure of NelsonHall's clients, and will not be disclosed to any other organization or person, including parent, subsidiary, or affiliated organization without prior written consent of NelsonHall. NelsonHall exercises its best efforts in preparation of the information provided in this report and believes the information contained herein to be accurate. However, NelsonHall shall have no liability for any loss or expense that may result from incompleteness or inaccuracy of the information provided.