



Market Analysis

HR Technology & Services

Cloud HR Transformation Services

Report Abstract

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67-pages

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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 67-pages.

2020 became a survival and recessionary year, where organizations experienced greater cost pressures as a result of :

- Fluctuating business volumes and associated staffing needs due to uncertainty/lockdowns
- Significant legislative changes and increased operational costs
- Health challenges resulting in unprecedented absence rates, reduced labor force participation, travel disruption and difficulty attracting hard-to-fill roles
- Continued mandated working from home (WFH) for long periods resulting in a greater need for digital services, technology, and automation, reducing the dependency on personnel to support volume changes and scale as well as supporting the new WFH model.

Employees experienced increased mental stress not helped by many additional family/financial pressures, despite this, there was also an overall increase in productivity. Society also saw a widening of inequalities and movements to address DE&I, climate and social responsibility gained greater traction across many organizations and communities

Over 2021 and into 2022 organizations will strive to deliver workforce safety, workforce productivity with the latest digital tools, security and better manage cost containment. Expect increased M&A activity in 2022 and improved growth rates as companies have revised their strategies and are consolidating to support scale. Restructures & M&A activity will create greater demands on the HR function to manage change and organizational agility.

Key industry market developments include:

- In 2020, the global cloud HR transformation services market was estimated at \$6.6bn, with cost, process improvement and superior employee experience the primary drivers. Transformative client agendas are increasingly addressing skills gaps as part of the business needs. The majority of MPRHO clients have now migrated to Cloud HR platforms, with less than 5% of the market represented by on-premise HCM solutions
- Just 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, payroll being the most common tower
- Providers offering a global HR service increasingly have a technology agnostic approach, and are looking to drive portal solutions that deliver a consistent experience across platforms. Vendors that have a technology preference tend to have a country or regional focus
- Buyers select cloud HR transformation services vendors primarily based on their cost-effectiveness and their technical and process expertise to support the client environment
- Growth through acquisitions over 2020 focused on European geographical expansions
- Vendors continue investing in automation and chatbots, however, the use of chatbots across buyers is nascent across the industry.

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

IBM

OneSource Virtual

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.

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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

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