



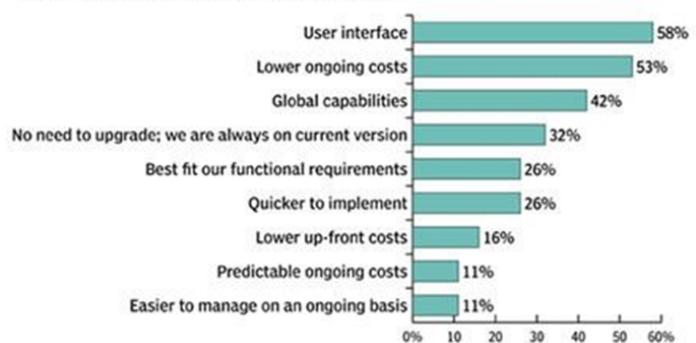
It is hard to have missed workday's impact on the world of HR technology over the past decade. The cloud-based human capital management (HCM) software vendor, founded by David Duffield and Aneel Bhusri, (respectively former CEO and Chief Strategist at PeopleSoft) launched in 2006 and in a little over ten years has become recognised as one of the most ground-breaking technologies in its field, recently coming second in Forbes annual look at the most innovative companies in the world¹ – two places ahead of Tesla.

With a market cap of over \$28B² and over 30% subscriber growth in their most recent quarter, what is it that makes workday so successful?

Consumer grade

Workday prides itself on its consumer-led design. In just two years, their iPhone application has received five new feature updates and a complete UI refresh. This level of change is unheard of in enterprise software, but it is the norm for consumer technology, which is where workday have recognised is where most of today's innovation is coming from. Workday have demonstrated a passion for change and an openness to learn from other industries.

Top Three Reasons for Choosing Workday³



Cost and speed

For many companies the overwhelming driver for adopting workday is that the cloud-based system is cheaper than other enterprise solutions, with a greater focus on self-service and is quicker to implement. But be careful, with workday presiding over a very strict partner certification programme the choice and availability of implementers is limited and can lead to market pricing distortions.

What's next for workday?

Workday is investing in its ecosystem and has recently undertaken some bolder steps to assure its growth and remain close to new technologies and innovations.

In 2014 it launched workday ventures – a tech fund aimed at identifying relevant and adjacent technologies to the core product set. This has recently been supercharged (Feb 2018) with a \$250M fund to focus on AI, Cloud, Blockchain, VR and AR investments

Also, this year (2018) they have begun to implement a more open platform to encourage 'citizen developers' whereby customers can develop extensions to Workday applications using "Canvas Design System" and "Open Cloud Platform".

¹ www.forbes.com/innovative-companies

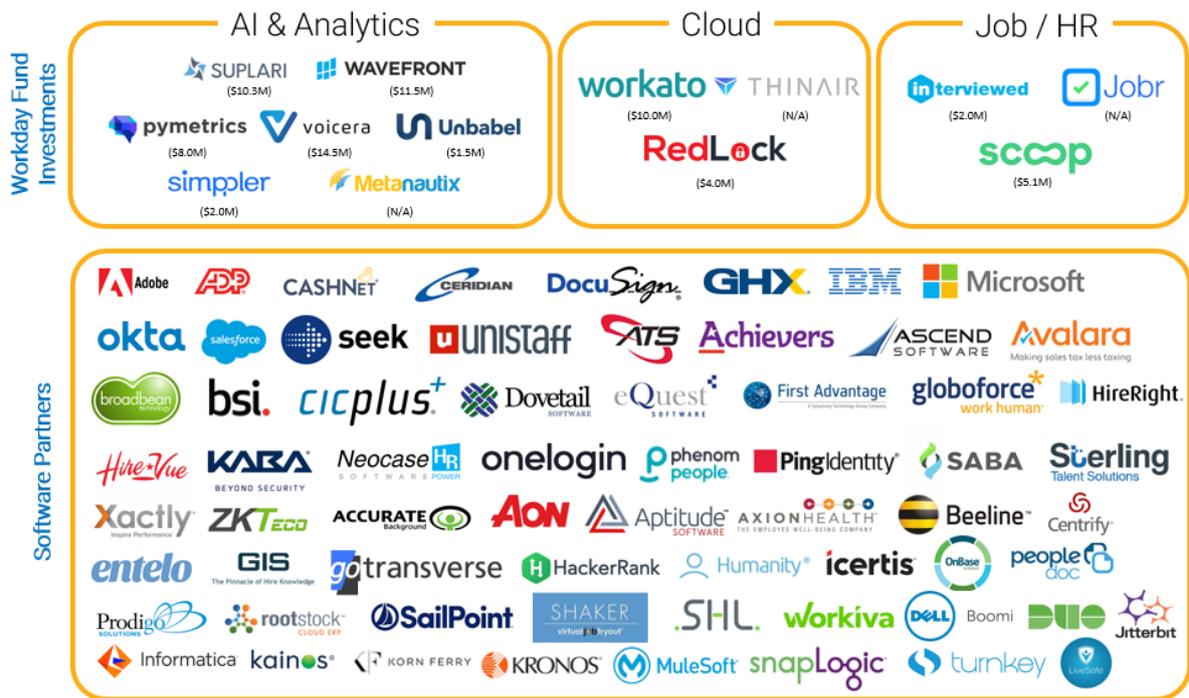
² NASDAQ : WDAY on 30th July 2018

³ Towers Watson survey 2012

Overall, we see three key ecosystem objectives, which are:

- Maintaining tech leadership and augmenting capability (via Ventures, M&A, Partners)
- Deepening and embedding Workday in customer organisations to be de facto HCM platform (Services capability, customer co-creation through citizen devs, conversational computing integrations)
- Removing barriers to adoption within non-Workday customers (extensive ecosystem, APIs with common tools).

A final word of caution, workday is starting to look like a mega-vendor and those that have previously gone down this path have ultimately traded product integrity for revenue growth. Customers would be wise to keep an eye on the balance between value-added product development and extensions for their own sake.



About Forestreet

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We capture detailed information and user opinion on start-ups, established players - and everything in-between. Our unique analytics is supported by C- level specialists who know how to get things done in complex and highly regulated environments. Their experience means that technology selection balances user need, technology standards and, critically, business cases.



If you would like to learn more about our research on HR technology or any other area of innovation please get in touch at info@forestreet.com