Magic Quadrant for Talent Management Suites

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VIEW SUMMARY

Talent management suites help enterprises manage the key workforce processes of plan to source, acquire to onboard, perform to reward and assess to develop. Chief HR officers and HR IT leaders developing workforce strategies should use this research to help them identify key and best-fit vendors.

VIEW SUMMARY

Market Definition/Description

Talent management (TM) suites are an integrated set of applications that support an organization's need to plan, attract, develop, reward, engage and retain talent. Such applications include workforce planning, talent acquisition and onboarding, performance appraisal/assessment, goal management, learning management, competency management, career development, succession management and compensation management. These functional components align with the key human capital management (HCM) processes of plan to source, acquire to onboard, perform to reward and assess to develop. A further boost to the TM market is offered by functionality to improve workforce engagement and collaboration, as well as to provide greater analysis and even predictive insights to improve decision making around workforce actions.

The vendors in this Magic Quadrant have diverse origins in the TM market. Whether advancing from the ERP/HCM market or from point solution providers such as learning or performance management, the vendors have expanded over time through native development or acquisition in an attempt to deliver better business outcomes through a broader, integrated suite of TM capabilities. These expanded suites have also helped to reduce the friction of integration between applications and improve the ease of reporting and analytics, an area that consistently ranks among the lowest in overall client satisfaction.

While some enterprises continue to pursue a best-of-breed strategy by implementing point solutions for TM (often in the areas of recruiting or learning), Gartner research indicates that the number of customers adopting three or four modules from a single vendor continues to grow. Improving integration and reporting are among the top drivers for investments in TM suites, along with achieving a unified user experience across the many talent processes.

In 2014, the overall market for TM suite solutions (license and subscription software only) reached an estimated $3.4 billion and continues to grow at more than 17% annually. TM suites support a variety of capabilities and are typically composed of four or more of the following applications:

- **Workforce Planning —** Tools to support the systematic identification and analysis of what an organization will need in terms of the size, type and quality of the workforce to achieve its objectives.
- **Recruiting and Onboarding —** Includes talent sourcing, talent acquisition, candidate relationship management, applicant tracking and other software components necessary to attract and match candidates — both internal and external — against open jobs or positions within the enterprise.
- **Performance and Goal Management —** Includes tools to align the workforce with corporate and team objectives, establish individual and team goals, evaluate individual performance and provide periodic feedback. Performance appraisals, goal management, competency and skill assessments, development planning, and manager and peer feedback are common elements within this category.
- **Learning Management —** Includes tools to develop, offer and track learning, create content, manage skill and competency development and engage in social learning scenarios. For the purpose of this research, software tools used to offer training to external audiences (also known as "for profit" or "extended enterprise" training) are not included in the vendor analysis.
- **Career and Succession Planning —** Functionality to help identify and develop a sustainable leadership pipeline; includes support for succession and talent pools and tools for employee career development.
- **Compensation Management —** Tools to plan and manage employee compensation including budgets, plan configuration, salary planning and administration, incentive plans, and total rewards programs and communication. For the purpose of this research, management of salary surveys and benchmarking, as well as sales incentive compensation support, are not included in the vendor analysis.

This research is focused on the providers of TM suites — that is, those vendors that sell and support four or more of the above six primary components of TM. It specifically excludes those vendors offering just one or two specialized TM applications, as well as those that require the utilization of the vendor's core HR or payroll applications, if any, in order to leverage the TM components (see the bulleted list of inclusion criteria in the "Inclusion and Exclusion Criteria" section for a comprehensive view of the vendor eligibility criteria for this Magic Quadrant).

Magic Quadrant

A provider's position on the Magic Quadrant graphic is determined by Gartner's ratings regarding its Ability to Execute and Completeness of Vision. These two broad categories are divided into a total of 15 factors — including such factors as scope of delivery, quality of services, marketing and sales execution, and several others. While some of the 12 providers profiled here are dissimilar on the surface, Gartner's Magic Quadrant provides standardized and consistent ratings so that buyers of TM suites can compare providers objectively and fairly.

Figure 1. Magic Quadrant for Talent Management Suites

Source: Gartner (August 2015)

Vendor Strengths and Cautions

Note that all reported customer counts are as of May 2015. References throughout this section to customer satisfaction ratings or "survey respondents" refer to an end-user survey performed in conjunction with this Magic Quadrant, where vendors' clients rated various product and vendor relationship data on a 1-7 scale (1 = low, 7 = high). Refer to the Evidence section for more details on this survey.

Cornerstone OnDemand

Cornerstone OnDemand (Cornerstone), founded in 1999, is a public company based in Santa Monica, California, U.S. The vendor has operations in 21 countries across the globe, including new offices in Argentina, Chile, Columbia and South Africa. Beginning as a learning management point solution, over time Cornerstone has added recruiting, performance, succession, compensation, onboarding and social/collaboration, all natively developed on a common platform and offered only via public cloud. In October 2014, Cornerstone acquired Evolv to add machine learning, predictive analytics and assessment capabilities. In early 2015, it also formalized its platform as a service (PaaS) offering, Cornerstone Edge, aimed in part at improving integration capabilities. The vendor's continued strong execution is reflected in its growth (2014 revenue was $264 million, up 42% from 2013) while

maintaining above-average customer satisfaction. It has more than 2,100 enterprise customers, plus an estimated 800 more using its Growth Edition small or midsize business (SMB) offering — an acquired, separate platform. Cornerstone OnDemand is suitable for organizations of all sizes, including large complex global enterprises.

Strengths

- Cornerstone's natively developed suite has robust configurability, best-in-class learning and performance, strong mobile support, and good use of social and game mechanics to engage employees.
- Client references for Cornerstone indicated above-average product satisfaction and significantly above-average satisfaction with the vendor-customer relationship. Customer satisfaction with product quality and the enhancement request process showed the greatest improvement over 2014.
- Cornerstone has strong momentum across all organizations of all sizes (adding approximately 125 new clients quarterly), and a high adoption rate of multiple talent modules per customer. It continues to build on its strong alliances strategy, including partnering agreements with ADP, Deloitte, Aon Hewitt and Xerox.

Cautions

- Although Cornerstone's vendor-customer relationship scores in aggregate were significantly above average, survey respondents scored initial implementation and deployment as slightly below average.
- Reference satisfaction with ease of use for professional users and system administration capabilities declined slightly from 2014. Client satisfaction with analytics ranked slightly above the average but was the lowest rated area of all satisfaction criteria, highlighting product and service opportunities for the vendor with its new Evolv acquisition.
- Although Cornerstone has delivered enhancements for recruiting and onboarding during the past year, including Cornerstone Selection for predictive hiring, it still lags behind the market in prehire TM use cases.

Deltek (HRsmart)

Formerly privately held, and founded in 1994, HRsmart was acquired by Deltek in February 2015, a vendor focused on delivering ERP solutions globally (principally government contracting, professional services and project-based firms). Starting in recruiting, the vendor now offers a natively built, SaaS-only unified suite that includes recruiting, onboarding, performance, career development, succession planning, compensation planning and learning management, with support for 22 languages. At the time of the acquisition, HRsmart had more than 1,500 customers and $16 million in annual revenue; the combined firm now has an estimated more than 21,000 customers worldwide and more than $475 million in revenue. HRsmart serves clients of all sizes, but the majority (87%) are those with fewer than 5,000 employees. Deltek plans to leverage its global reach to cross-sell the HRsmart product set to its existing customers as well as to generate net new business from continued sales of HRsmart and the combined offering.

Strengths

- Deltek HRsmart delivers TM on a unified platform with a common user experience, reporting and security. Direct operations and partners support its global capabilities, which will now be augmented by Deltek's expanded global cloud utilizing Amazon Web Services.

- Customer references for Deltek HRsmart were most satisfied with its integration within the TM suite, integration to other applications, and mobile support; product quality showed the most improvement over 2014.
- HRsmart's partnership strategy (including relationships with Monster, Profiles International, Empower Software Solutions and ExponentHR) will be augmented by Deltek's partner network as well as future integration of the TM suite with its existing ERP and core HR, social/collaboration tool (Kona) and mobile platform.

Cautions

- References for the HRsmart offering cited ease of use for employees and ability to customize or extend the application as being below average compared with the aggregate.
- Vendor-customer relationship scores for the HRsmart offering also declined from 2014, and are now slightly below average; references were least satisfied with their experience through the sales process, initial implementation and deployment, and enhancement request processes.
- While Deltek has already begun to affect HRsmart's lagging use of mobile with a planned deployment of enhanced capabilities in 2Q15, its Kona social collaboration platform is not planned for incorporation into the HRsmart offering until 2016. It will also take time for Deltek to fully realize its plans for integrating HRsmart, both organizationally and technically.

Halogen Software

Founded in 2001, Halogen Software is based in Ottawa, Canada, and went public in May 2013. It has operations in North America, Europe, the Middle East and Asia/Pacific, although the majority of its revenue comes from North America. Halogen TalentSpace is a natively developed suite of talent modules that includes recruiting, performance, communication and coaching, succession, compensation, learning and job description management. The vendor offers SaaS subscription for both on-demand and on-premises deployments; approximately 85% of its customers are now deployed via SaaS and 100% are on the latest release. The vendor has more than 2,100 customers worldwide and reported almost $57 million in revenue for 2014 (up 18% over 2013). It is well-suited to midsize North American-based multinationals that desire strong overall functionality that is relatively cost-effective and easy to implement.

Strengths

- Halogen continues to innovate in performance management by adding a Feedback Digest that regularly summarizes input received from all sources throughout the year, and by embedding enhanced development activity support into its 1:1 Exchange module. The embedded Halogen Myers-Briggs module and Development Dimensions International (DDI) offering continues to be a differentiator.
- Halogen ranked highest of all participating vendors in overall vendor-customer relationship satisfaction; these customers were all based in North America.
- Halogen has a strong industry strategy — offering solutions for healthcare, professional services, financial services, manufacturing, hospitality, education and the public sector. Halogen has also rolled out regionalized account care and implementation programs, which together with its focus on ease of use and its pricing strategy continue to make it a leader in the midmarket.

Cautions

- Although Halogen has expanded its global capabilities and has especially become more visible in Europe, the relatively small average customer reference size indicates that its capabilities may not easily transfer to larger global enterprises.
- Halogen's recruiting and learning solutions continue to show incremental improvement, but still lag behind the large global players in overall functionality and user adoption. There is also no workforce planning module included in the suite.
- Halogen is falling behind the competition in the area of analytics, because it does not currently offer predictive analytics or embedded machine learning algorithms to enable system-generated recommendations.

Haufe

Founded in 2000, Haufe (part of the Haufe Group) is based in St. Gallen, Switzerland, and has offices in the U.S., Germany, Switzerland, China and Japan. The vendor's umantis TM suite offers recruiting, performance, succession, compensation, learning, workforce planning and corporate social networking on a homogeneous, natively developed platform. The software is available both on-premises and as a SaaS offering, though almost all clients are now deployed via SaaS. Haufe has over 1,000 customers operating in more than 180 countries, and Gartner estimates revenue from its TM suite to be between $75 million and $100 million annually. The vendor is well-suited to midsize to large European-based multinational organizations desiring very good overall functionality, strong configurability and good support for local requirements.

Strengths

- Haufe is a leader in German-speaking markets, especially with midmarket and large organizations of up to 30,000 employees, and is growing its global capabilities through the addition of direct and indirect sales support in targeted countries.
- Haufe references rated overall product and vendor-customer relationship satisfaction as above average; both categories showed significant improvement over 2014 survey responses.
- Haufe has very strong recruiting, and has kept pace with market advances through updates to the user interface, integration of social elements and the notion of "team recruiting." It is one of the few TM vendors to consider the implications of a move away from purely hierarchical organizational models — providing functionality to support agile teams through its new Daily App to promote regular feedback, employee positivity and social engagement.

Cautions

- Haufe is not well-known globally. It will need to develop a stronger brand and additional multinational references to compete with larger, more established vendors in the TM suite market; recent investments in services and support capabilities in the U.S. and Japan indicate some progress in this area.
- Although Haufe has cited growing adoption of its learning module, functionality lags behind the market leaders for learning management. For learning content, it partners with CrossKnowledge and connects with the Haufe Group's e-learning and academy solutions in the German-speaking market.
- Haufe scored slightly below average for system performance, indicating some continued issues in this area. References were generally much more satisfied in 2015 than in 2014.

Lumesse

Lumesse was founded in 1996 and is based in Luton, U.K., with international offices in 17 countries. This privately held vendor (backed by HgCapital) started in e-recruitment and has

since diversified, mostly through acquisition, into the broader TM market. It acquired MrTed (rebranded as TalentLink) as an entrée into SaaS recruiting, and acquired Edvantage Group to build out its learning offering. The vendor has approximately 650 employees and more than 2,300 customers, the majority of which use e-recruitment on TalentLink. In late 2014, the vendor announced plans to develop a new TM suite offering based on the Salesforce1 platform, and launched the first module (TalentObjects:Recruit) during March 2015 (the TalentObjects suite was not evaluated for this Magic Quadrant). Gartner estimates the vendor's annual revenue to be between €75 million and €100 million, the majority coming from the European region. Lumesse is experienced in multinational and multicultural organizations, providing its solutions in more than 30 languages.

Strengths

- Extensive support and sales across Europe give Lumesse a deep understanding of European compliance and cultural issues, and its footprint in the Asia/Pacific region and North America continues to grow.
- Lumesse is a well-recognized brand in the TM suite market, with a substantial installed base and a history of adapting to complex requirements, especially across Europe and within several vertical markets.
- In the product satisfaction category, this year's references for Lumesse indicated significantly above-average satisfaction with the ability to customize or extend the application, and above-average scores for system performance and training made available. In the category of vendor-customer relationship satisfaction, the top three above-average scores were in the areas of account management, handover from implementation to support, and after-sales care.

Cautions

- Lumesse has lagged behind the market in terms of adopting new capabilities in analytics, mobile, social and video. However, new investments have been made across the product suite and in late 2014 Lumesse began to build out new capabilities, branded as TalentObjects, leveraging a partnership with Salesforce.
- Despite several above-average scores, Lumesse's overall product satisfaction was rated below the average of all vendor references, with clients reporting the least satisfaction with integration (within the suite and with other applications), mobile support and product quality.
- While other TM suite vendors in this research note have reported growth during 2014, Lumesse's customer counts remained at approximately the same level.

Oracle (Talent Management Cloud)

Publicly traded, Oracle is based in Redwood Shores, California, U.S., with physical offices on every continent. The Oracle Talent Management Cloud (a subset of the Oracle Human Capital Management Cloud) is comprised primarily of modules built on the Fusion technology stack and the acquired Taleo suite of applications, and spans recruiting, onboarding, performance, compensation, career and succession, learning and workforce planning. The modules developed on Fusion can be deployed on-premises, via private cloud or via public cloud, while other modules are available through the public cloud only. As the cloud offering has matured, customer growth has been strong. Gartner estimates more than 1,100 customers on the Talent Management Cloud; the majority utilize recruiting, but there is strong adoption across the rest of the suite. Oracle Talent Management Cloud is well-suited to organizations of all sizes seeking best-in-class recruiting functionality and strong capabilities across the remaining talent suite modules.

Strengths

- Oracle Talent Management Cloud delivers leading recruiting and compensation management, as well as competitive performance and succession planning, to a large, diverse global customer base.
- Oracle has made substantial progress against its multiyear product integration roadmap, including unification of its analytics and reporting tools across all components of the suite. Survey respondents ranked its reporting slightly above average, while its workforce analytics rated significantly above average compared with other vendors in this research.
- Social and mobile are increasingly prominent in the suite, with an enhanced mobile candidate experience, improved social sourcing and new mobile manager experiences. The vendor recently announced Oracle Learning Cloud, a new social and video-based learning platform, due in 2H15. For clients that also utilize Oracle's Global HR Cloud, emerging Work Life Applications add to the engagement and overall user experience of the workforce.

Cautions

- Despite integration advances during the past year, survey respondents still reference some dissatisfaction with the integration between Oracle's Taleo suite and Fusion HCM modules, including the learning module (formerly Learn.com).
- Oracle's product satisfaction scores dropped more than 10% from 2014 to 2015, and survey respondents now rank the vendor as somewhat below average in this category. References were least satisfied with available training, social/collaboration, documentation and product quality.
- Survey respondents rated Oracle's "ability to customize or extend the application" as well below average despite the availability of extensibility capabilities such as the Page Composer, Data Composer and Process Composer and the Oracle Cloud PaaS. The low scores in extensibility may indicate lack of client adoption or understanding of these capabilities.

PeopleFluent

PeopleFluent was founded in 1997 and is based in Waltham, Massachusetts, U.S. Additional offices are located in the U.S., Canada, Germany, the U.K. and India. Built and augmented via a series of acquisitions, PeopleFluent delivers functionality across the TM suite (including workforce planning, recruiting, onboarding, performance, compensation, career and succession management and learning). The vendor also has strong U.S. compliance capabilities and a vendor management system that integrates with its TM modules for managing the contingent workforce. Integration capabilities are extended through its data integration platform in the cloud, PeopleFluent Colossus. PeopleFluent reports over 5,100 total customers, of which more than 1,300 utilize its TM suite modules. Gartner estimates its revenue at $100 million to $125 million. PeopleFluent's TM applications are well-suited to multinational organizations of all sizes.

Strengths

- PeopleFluent has very strong recruiting and compensation, and demonstrates above-average leverage of social, collaboration and video technologies throughout its Mirror suite of solutions.
- Customer references rated PeopleFluent somewhat above average in overall product and vendor-customer relationship satisfaction, with product quality and workforce analytics scoring significantly above average.
- PeopleFluent is one of a few TM vendors incorporating the contingent workforce into its TM processes. For example, recruiting processes can look across internal, external and contractor populations, and succession plans can include contract workers.

Cautions

- While the Mirror suite delivers a compelling, personalized user experience, there remain inconsistencies in user interface across the vendor's many products. Survey respondents indicated slightly above-average satisfaction with social/collaboration capabilities, while mobile support was rated below average.
- Outside of the U.S., PeopleFluent primarily sells its talent acquisition and workforce planning solutions; it needs to improve marketing and sales execution in the broader TM suite market to push non-U.S.-based revenue beyond its current level of 15%.
- Despite higher-than-average reference satisfaction scores for workforce analytics, PeopleFluent's solution lags behind the leaders in predictive analytics capabilities.

Saba

Founded in 1997 and based in Redwood Shores, California, U.S., Saba moved from a public to a private company when it was acquired by Vector Capital during March 2015. It started in the learning market and has expanded into an integrated TM suite — now offering learning, performance, succession, recruiting, compensation (added in December of 2014), workforce planning, organizational planning and social collaboration. Saba's TM solutions are available primarily as cloud offerings (Saba Cloud), but can also be delivered on-premises (Saba Enterprise). Saba has more than 2,200 customers and Gartner estimates Saba's annual revenue to be $125 million to $150 million. Saba has shown its suitability for organizations of all sizes, including large global multinational organizations that want strong learning, performance and succession management solutions.

Strengths

- The vendor's learning solution is best in class, and its performance and succession solutions are strong. We have witnessed growing market interest for Saba's Engage product bundle, which includes learning, performance and collaboration.
- This year's Saba Cloud reference customers gave above-average scores across product and vendor-customer relationship satisfaction, and indicated Saba is a leader in integrating social, mobile and analytics technologies into its TM suite.
- Saba continues to innovate around its core product with The Intelligent Mentor (TIM), which leverages predictive modeling and machine-learning technologies, and the Saba Marketplace, which is positioned as an online hub that offers preconfigured connectors to streamline integration with other enterprise systems.

Cautions

- Saba needs to improve its brand awareness in the TM suite market to drive more net new sales opportunities, implementations and customer references.
- Saba only recently released its compensation module (in December 2014), and now needs to establish a reference client base.
- Saba Enterprise (on-premises) reference customers report lower satisfaction scores relative to Saba Cloud customers. During the past 12 months, we have witnessed a growing number of Saba Enterprise customers transitioning to Saba Cloud.

SAP (SuccessFactors)

SuccessFactors, an SAP company, is based in South San Francisco, California, U.S. SuccessFactors started in performance management and its product offerings have evolved to include recruiting, onboarding, succession, career development, compensation and learning, along with workforce planning, analytics and corporate social networking. The solutions are exclusively offered through a SaaS model. The vendor continues to execute well, as reflected in strong year-over-year growth. Gartner estimates that SuccessFactors

has more than 4,200 customers operating in more than 177 countries; the majority use performance management and learning, with strong adoption of other TM components. SuccessFactors has offerings targeted toward customers of all sizes, but it is best suited to multinational organizations that want best-in-class performance management, learning and workforce planning functionality, with good succession, recruiting, onboarding and compensation capabilities.

Strengths

- SuccessFactors has dominant mind share in the TM suite market. In addition, it has had greater success selling its TM suite and has demonstrated higher add-on sales for its components to customers than any other vendor.
- SuccessFactors offers leading performance, learning and workforce planning solutions, with functional depth and breadth across the full TM suite and above-average customer satisfaction ratings for overall product quality and ease of use for employees and managers.
- SuccessFactors continues to demonstrate strong global growth, both through direct sales and channel partners. Its partner ecosystem is among the strongest in the industry, adding approximately 200 additional partners in 2014 — bringing the total number of HCM-focused partners (including regional and global system integrators, BPO providers, resellers, OEMs, ISVs, and other content and technical partners) to more than 700.

Cautions

- Reference customers for SuccessFactors cited solution documentation and the "ability to customize or extend the application" as areas where satisfaction was lower than average; this is notable because this vendor is one of the few that delivers multiple solution extensibility options.
- Despite strong growth (especially that fueled by its related global core HR module, Employee Central), SuccessFactors' rapidly expanding customer base and the impact of acquisitions has resulted in product, integration and customer support issues. There are substantive initiatives in place to address these issues, but potential customers should be aware of possible effects on project timelines.
- SuccessFactors has generally done a good job of integrating its acquisitions; however, in areas such as learning (Plateau) and recruitment marketing (Jobs2Web), the integration is still evolving. Prospects should examine the workflows and integration efforts to fully understand the extent of integration and ongoing support.

SumTotal

SumTotal Systems, a Skillsoft company, was founded in 1985 and is based in Gainesville, Florida, U.S. SumTotal was acquired by Skillsoft, a global provider of learning content and solutions, in October of 2014 and is being run as a business unit within the company. It has operations in North America, Europe and the Asia/Pacific region. SumTotal started in the learning market and has grown both organically and through a number of acquisitions to become a large player in the HCM market. SumTotal's TM products include recruiting, performance, succession, compensation, learning and workforce planning and analytics, along with a corporate social networking solution. It also delivers a PaaS offering, elixHR, to extend integration support, as well as broader HCM capabilities. At the time of acquisition, Gartner estimates that SumTotal had more than 3,500 customers and generated more than $200 million in annual revenue. Combined with Skillsoft, Gartner estimates the resulting organization has more than 6,000 customers, supports more than 45 million users and has annual revenue of more than $600 million. SumTotal is suitable for organizations of all sizes, including large and complex global enterprises.

Strengths

- SumTotal has very strong learning and performance management solutions, and strong succession management functionality. Following its acquisition, SumTotal now delivers premapped Skillsoft content (including books, video and e-learning) embedded directly into its talent management processes.
- Survey respondents ranked system performance and integration within the TM suite as above average. SumTotal was also noted for its above-average ability to deliver a single, user-friendly experience across the TM processes. This year's survey respondents also ranked its workforce analytics as above average.
- Now that it is part of Skillsoft, SumTotal has additional global resources, increased R&D, and larger services and support teams.

Cautions

- Despite gaining an estimated 180 or more net new clients in 2014, SumTotal has not kept pace with the leaders in securing net new TM suite deals.
- Survey respondents ranked satisfaction with SumTotal's product quality, mobile support and social/collaboration as below average compared with other vendors in this report.
- For the third year in a row, SumTotal's reference customers are less satisfied than average with their experiences in the sales process, initial implementation and deployment, and handover from implementation to support. Skillsoft brings a strong track record in cultivating high customer satisfaction that should help improve the experience of its SumTotal customers.

Talentsoft

Talentsoft is privately held and based in Paris, France. It also has offices in the U.K., Germany, Belgium, Denmark, the Netherlands, Switzerland and Sweden. It started offering an integrated, SaaS-based TM solution in 2007, and has grown organically and through the acquisition of other vendors — including RFlex and PeopleXS. Talentsoft's solution covers recruiting, performance, succession, compensation, learning and workforce planning, as well as Core HR and analytics. Talentsoft continues to grow and has now approximately 300 employees and 700 customers. It has extended its reach into Eastern Europe through a reseller partnership with Trenkwalder. Gartner estimates Talentsoft's annual revenue at €25 million to €50 million. Talentsoft is best suited to European multinationals looking for an integrated TM suite that has strong support for EU social regulations.

Strengths

- Talentsoft has strong market awareness and customer success in France, along with some notable customer wins in other Western European countries. It has robust European functionality, including support for competency and career management.
- Talentsoft has invested in new innovative capabilities such as an app-style user interface, My Talentsoft (to replace traditional HR portals), and candidate relationship management capabilities with Hello Talent.
- Talentsoft includes position management capabilities, and the ability to simulate future staffing requirements and set recruiting targets.

Cautions

- Talentsoft is not well known beyond Europe. It needs to increase its awareness of other geographies to expand its reference base and experience level in supporting the talent process requirements of organizations based outside of the EU.

- Although Talentsoft continues to grow rapidly, it is still relatively small, compared with the market-leading TM suite providers.
- Talentsoft has enjoyed above-average customer reference scores during the past two years; however, this year's scores were below average across nearly all product and vendor-customer satisfaction criteria, which may correlate with its significantly higher-than-average percentage of net new customers in the reference study.

Technomedia

Technomedia is a private company based in Montreal, Canada, with offices in the U.S., France, Germany and Hong Kong and approximately 200 employees. Its unified TM offering includes recruiting, performance, succession, compensation, learning and workforce planning. Almost all of its customers (approximately 97%) are deployed via SaaS. Developed on a single codebase, Technomedia demonstrates strong integration between modules. It was one of the first TM suite vendors to introduce utility-based pricing, in addition to a traditional per-employee-based model, encouraging broader suite adoption through piloting and iteration. Gartner estimates Technomedia has over 500 customers and generates approximately $25 million to $50 million in annual revenue. The vendor increased its global footprint into the U.S. through acquisition (Hodes iQ in 2011) and through partnerships. Technomedia is well-suited to global midsize and large, complex enterprise customers that want strong recruiting, learning and performance management capabilities.

Strengths

- While Technomedia's strength is in recruiting, customers have increasingly added performance management, succession and learning.
- Technomedia has a long track record of working with large, complex organizations with more than 50,000 employees. It is able to meet global requirements around position, competency and learning management.
- Customer references for Technomedia were significantly above average in both product and customer-vendor relationship measures. Clients were most satisfied with its user experience, ability to customize or extend the application, and system performance; reporting, product quality and documentation showed the most improvement over 2014.

Cautions

- Technomedia needs to improve its brand awareness in the TM suite market to drive more net new sales opportunities, implementations and customer references.
- Technomedia has a global presence and significantly above-average scores across product and vendor-customer relationship among the 2015 survey respondents; however, Gartner inquiry indicates mixed feedback, particularly from the North American customers that make up the majority of its customer base.
- Technomedia's customer count and revenue growth lag behind those of other vendors participating in this Magic Quadrant. The vendor frequently engages with larger enterprise clients (of 10,000 to 50,000 employees or more) which may account for its smaller-than-average growth in customer count.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor's appearance in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

No vendors have been added to this year's Magic Quadrant.

Dropped

The following vendors were dropped from this year's Magic Quadrant, because they did not meet one or more of the inclusion criteria (see Inclusion and Exclusion Criteria section). Some of the vendors are primarily selling their TM modules as part of a broader HCM suite and are not commonly seen in stand-alone TM suite suite evaluations. Some vendors did not meet the baseline and/or year-over-year growth requirements for revenue and/or client adoption. Still others were removed from this year's Magic Quadrant for a combination of factors that made them ineligible.

- Adrenalin eSystems
- IBM (Kenexa)
- Infor
- Meta4
- PageUp People
- SilkRoad
- Towers Watson

Inclusion and Exclusion Criteria

Inclusion criteria are used to determine which vendors will be covered in this research. To be included in the 2015 update to the Magic Quadrant for talent management suites, a vendor will:

- Be the primary developer of a TM suite offering that includes at least four of the following six major TM suite components: workforce planning, talent acquisition (recruiting), performance management, compensation management, succession management, learning management.
- Sell, deliver and support the TM suite offering and provide professional services and other maintenance services.
- Sell the TM suite modules separately from its core HR applications (if available); a vendor's core HR application or applications must not be a prerequisite for utilization of the vendor's TM modules.
- Have at least 150 customers, with more than 1,000 employees using at least three of the TM suite components; or more than $40 million in revenue from TM applications.
- Have gained at least 50 net new customers that purchased two or more TM suite components during either the period from 1 January 2014 to 31 December 2014, or the vendor's past four fiscal quarters.
- Provide Gartner with at least 10 customer references in production utilizing at least three of the six major components of TM suite.
- Have local, direct presence in at least two of the following geographic regions or (at the very least) multiple countries within a region — North America, EMEA, Latin/South America, India, or the Asia/Pacific region.
- Be regularly identified by Gartner clients and prospects as a vendor of interest in the talent management suite market.

Providers Not in Scope

There are many vendors of TM applications that do not meet all of the above criteria and are therefore not included in this Magic Quadrant. For example, a vendor may have a

comprehensive TM suite but sells it largely as part of a broader HCM suite initiative (for example, in conjunction with core HR, payroll and/or other service offerings). Still others operate only in a single region or support very specific vertical-based requirements (such as government or healthcare). Some vendors meet all the functional and geographic requirements, but are still relatively new to the TM market and therefore have limited revenue and few production customers.

While many vendors offer solutions that don't meet all of the inclusion criteria for this Magic Quadrant, they may nonetheless be very suitable for your enterprise (including those shown below). The following is a sample of vendors offering at least four of the six major TM modules in addition to other HCM components:

- **Adrenalin eSystems —** This India-based vendor (a Polaris Group company) delivers core HR, payroll, TM and workforce management to more than 400 customers spanning India, the Middle East and Southeast Asia.
- **IBM (Kenexa) —** A leader in global recruiting, IBM Kenexa delivers TM suite components including assessments, social learning and analytics, with new capabilities for talent insights leveraging its Watson analytics platform.
- **Infor —** This vendor's HCM offering includes a comprehensive TM suite along with global core HR, payroll and workforce management. It is well-suited to North American multinational organizations and has strong vertical presence in the healthcare industry.
- **Meta4 —** A leader in the Spanish and Latin American markets, Meta4 offers HRMS and integrated TM to more than 1,500 clients across Europe, Latin America, South America and the U.S.
- **PageUp —** This Australian-based vendor remains a leader in recruiting, but has also developed a comprehensive TM suite. Its more than 200 clients are largely located in the Asia/Pacific region, but the vendor has operations in the U.S. and Western Europe.
- **SilkRoad —** A provider of TM suite capabilities, this vendor delivers comprehensive HCM capabilities through its SilkRoad HRMS and integrated Life Suite offerings, targeting primarily SMBs.
- **Talentia Software —** This U.K.-based vendor offers comprehensive core HRMS, TM and payroll capabilities. It is particularly strong in the Southern European market and has a number of U.K. customers.
- **Towers Watson —** Moving beyond its consulting heritage, Towers Watson delivers TM software via a SaaS-based offering that spans compensation, performance, career and succession planning and learning, with workforce planning and analytics targeted for 2H15. Its clients are commonly global midsize to large enterprises.
- **Ultimate Software —** This vendor has developed a strong position among North America-based multinationals seeking integrated HRMS and payroll with an integrated TM suite. It now provides global HRMS and talent capabilities to customers in more than 160 countries. This vendor was an early leader in predictive talent analytics.
- **Workday —** Delivering natively developed, SaaS-based HCM and financial applications, this vendor delivers its TM suite components (excluding learning) to its core HCM clients across the globe. In early 2015, Workday introduced its latest offering for predictive and machine learning talent insights.

Evaluation Criteria

Ability to Execute

Gartner assesses a TM suite vendor's Ability to Execute by evaluating the products, technologies, services and operations that enables it to be competitive, efficient and effective in the market and to positively impact revenue, client satisfaction and retention, and general

market reputation. A provider's Ability to Execute is judged on its success in delivering on its promises, using the following criteria:

Product/Service. This includes the vendor's capabilities in the six components of TM: workforce planning; recruitment and onboarding; performance and goal management; career and succession planning; compensation management; and learning management. These areas were assessed for functional completeness and ease of use. In addition to functional depth in those components, how well the vendor has integrated the components was an important factor. Reporting and analytics received considerable attention, because they have been major customer concerns. The architecture, delivery models, and use of mobile and social capabilities were rated. The focus was on the vendor's current functionality, although enhancements and/or new modules on the verge of general availability were also evaluated.

Overall Viability. Key aspects of this criterion are the vendor's ability to ensure the continued vitality of a product, including support of current and future releases and a clear roadmap for the next three years. The vendor must have the cash on hand and consistent revenue growth during four quarters to fund current and future employee burn rates, and to generate profits. The vendor is also rated on its commitment and ability to generate revenue and profits, specifically in the TM suite market.

Sales Execution/Pricing. The vendor must provide global sales and distribution coverage that aligns with its marketing messages. It must have specific experience and success in selling TM suite applications to HCM buying centers. This includes deal management, partnering, pricing and negotiations, presales support, and the overall effectiveness of the sales channels.

Market Responsiveness and Track Record. This refers to the vendor's ability to respond, change direction, build alliances, be flexible and achieve competitive success as opportunities develop, competitors act, customers' needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution. This criterion assesses the clarity, quality, creativity and efficacy of programs designed to deliver the vendor's message to influence the market, promote its brand and business, increase awareness of its products, and establish a positive identification with the vendor's product or brand in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotions, thought leadership, word of mouth and sales activities.

Customer Experience. Relationships, resources and programs that enable customers to be successful with the products and services offered. This includes feedback from active customers on generally available releases during the past 12 to 18 months. This can also include the existence and quality of such customer resources as ancillary tools, support programs, availability of user groups, service-level agreements, and others. Sources of feedback also include vendor-supplied client references and their responses to a targeted survey conducted in conjunction with this research and covering a series of product and vendor-customer relation criteria (see Evidence section); Gartner inquiries; and other customer-facing interactions such as Gartner and industry conferences.

Operations. This criterion assesses the ability of the vendor to meet its goals and commitments. Factors include the quality of the organizational structure — the skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	High
Overall Viability	Medium
Sales Execution/Pricing	High
Market Responsiveness/Record	Medium
Marketing Execution	High
Customer Experience	High
Operations	Medium

Source: Gartner (August 2015)

Completeness of Vision

Gartner assesses TM suite vendors' Completeness of Vision by evaluating their ability to articulate their perspectives on current and future market direction, to anticipate customer needs and to successfully meet competitive forces. A vendor's Completeness of Vision is judged on its understanding and articulation of how market forces can be exploited to create new opportunities for itself and its clients, using the following eight criteria:

Market Understanding. This refers to the vendor's ability to understand buyers' needs and to translate those needs into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs, and can shape or enhance them with their added vision. We specifically looked for how vendors described the integrated TM market and opportunity, not merely that of the component products.

Marketing Strategy. This criterion assesses whether the vendor has a clear, differentiated marketing strategy with a set of messages that appeals to HR organizations and leaders, and that is consistently communicated throughout the organization and externalized through the vendor's website, customer programs and positioning statements.

Sales Strategy. The vendor should have a strategy for selling TM suite software that uses the appropriate network of direct and indirect sales, marketing, service and communications affiliates that extends the scope and depth of market reach, skills, expertise, technologies, services and the customer base. Key elements of the strategy include a sales and distribution plan, internal investment prioritization and timing, and partner alliances.

Offering (Product) Strategy. The vendor should demonstrate a vision for application functionality across the breadth and depth of the TM suite. We focused beyond the functional scope listed in the Ability to Execute section, and placed additional focus on the vendor's vision for the use of mobile technologies, advanced analytics, relevant social use cases, integration and ease of use as well as support for process transformations in support of the digital workforce. The product strategy can be a combination of organic development, acquisition and/or ecosystems. For ecosystems, close attention is paid to the quality and support of third-party partners. For acquisitions, we pay close attention to integration.

Business Model. Vendors need to have clear business plans for how they will be successful in the TM suite market. These business plans should include appropriate levels of investment to achieve healthy growth during a three-year to five-year period.

Vertical/Industry Strategy. The vendor should have a strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

Innovation: Vendors must show a marshaling of resources, expertise and/or capital for competitive advantage or investments in new areas (such as advanced analytics) or new access methods (such as tablets).

Geographic Strategy. We examine the vendor's strategy to direct resources, skills and offerings to meet the specific needs of regions outside the location of the corporate headquarters, directly or through partners, channels and subsidiaries, as appropriate for that geography and market.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	Medium
Marketing Strategy	High
Sales Strategy	Low
Offering (Product) Strategy	High
Business Model	Low
Vertical/Industry Strategy	Low
Innovation	Medium
Geographic Strategy	High

Source: Gartner (August 2015)

Quadrant Descriptions

Leaders

Leaders demonstrate a market-defining vision of how TM technology can help HR leaders achieve business objectives. Leaders have the ability to execute against that vision through products and services, and have demonstrated solid business results in the form of revenue and earnings. In the TM suite market, Leaders show a consistent ability to win broad suite deals. They have significant successful customer deployments in North America, EMEA and the Asia/Pacific region in a wide variety of vertical industries and with multiple proof points. Leaders are often what other providers in the market measure themselves against.

Challengers

The vendors in the Challengers quadrant are often larger than most (but not all) vendors in the Niche Players quadrant. These vendors have the size to compete worldwide, but, in some cases, they may not be able to execute equally well in all geographies. They understand the evolving needs of an HR organization, yet may not lead customers into new functional areas with a strong functional vision. Challengers tend to have a good technology vision for architecture and other IT organizational considerations, but may not have won the hearts and minds of HR and IT executives. As with the previous two versions, there are no Challengers in this year's Magic Quadrant for TM suites; vendors are largely demonstrating increased vision, but execution globally continues to challenge many of the smaller or more niche vendors.

Visionaries

Visionaries are ahead of most potential competitors in delivering innovative products and/or delivery models. They anticipate emerging/changing market needs and move the market ahead into areas where it hasn't yet been. Visionaries have a strong potential to influence

the direction of the TM suite market, but are limited in execution and/or demonstrable track record.

Niche Players

Niche Players offer products for TM functionality, but they may lack some functional components, may not show the ability to consistently handle deployments across multiple geographies or may lack strong business execution in the market. Niche Players may offer complete portfolios for a specific vertical, but are unable to fully support cross-industry requirements for several TM functions — such as workforce planning or e-recruitment. They may have an inconsistent implementation track record, or may lack the ability to support large enterprise requirements. Despite the issues described, in many cases Niche Players can offer the best solutions to meet the needs of particular HR organizations, considering the price/value ratio for the solution. These vendors tend to win component deals, but are not consistently winning the whole suite.

Context

All vendors included in this Magic Quadrant sell and support their TM solutions separately from any core HR module or modules they may offer. They have customers that are successfully using their products and services; however, this is not an exhaustive list. Other regional and/or vertical industry specialists did not meet our inclusion criteria. This Magic Quadrant encompasses a wide cross-section of vendors, including those that offer different delivery models (such as on-premises, hosted and SaaS) and differing levels of functional breadth and sophistication. Also, it excludes those few vendors who offer their software or services on an outsourcing basis.

Regardless of the provider you're considering, ask yourself, "Will this vendor help my organization manage our talent more effectively?" In many cases, an HR organization must evaluate not just a vendor's suite of product offerings, but also the ecosystem of providers that can fill in whatever functional gaps that the considered vendor on the Magic Quadrant may not offer.

Use this Magic Quadrant as a reference for evaluations, but explore the market further to qualify the capacity of each vendor to address your unique business problems and technical concerns. Depending on the complexity and scale of your requirements, your shortlist will be unique. The Magic Quadrant is not designed to be the sole tool for creating a vendor shortlist. Use it as part of your due diligence, and in conjunction with discussions with Gartner analysts and companion research notes such as Gartner's "Critical Capabilities for Talent Management Suites." Placement of a provider in the Leaders quadrant is not a representation by Gartner that the provider necessarily has the best fit with a buyer's needs.

Market Overview

The market for integrated talent management suites is now firmly established, having been available to buyers for more than a decade. Vendors in this space have expanded beyond their heritage offerings in one or two areas of TM into suites of four, five or more functional areas. Some clients made the explicit decision to consolidate and move to suite providers, while others evolved to suites gradually, adopting new modules as their vendor of choice developed or acquired new capabilities over time — often with an eye toward increased automation of talent processes. Investments in TM suites have also been spurred by the desire for integrated workflows and the growing availability of improved user experiences, including mobile accessibility, enhanced social and collaborative workflows, and advanced analytics capabilities.

While customers have been successful in automating basic TM processes through the use of TM suite applications, these efforts have not necessarily resulted in all the desired strategic effects. Overall, product satisfaction across TM suites scores an average of 5.24 (out of a maximum rating of 7). This year, the biggest gaps between reported importance and satisfaction were (1) reporting; (2) ease of use for employees and managers; and (3) product quality. It is notable that reporting, one of the lowest areas of satisfaction, was also given as one of the top three drivers for investment in TM suite (reported as "access to consolidated data for analytics and reporting"). Satisfaction scores with the overall customer-vendor relationship have remained generally the same (with a score of 5.64 in 2015).

Despite the moderate satisfaction scores across product and customer-vendor relationship criteria, activity in this market remains very high and Leaders have extended their lead. Innovation in this space is such that many vendors do well just to keep pace with the market, while some Visionaries have surged ahead. As organizations make decisions about their TM application strategies, HR and IT leaders need to understand the dynamics affecting the TM suite and HCM market; which is why we provide this Magic Quadrant and the following key observations.

No Single Vendor Dominates All Components of the Suite

Regardless of position on the Magic Quadrant, it is important to understand that no one vendor dominates all components of the TM suite. Most vendors are strongest in one or two components, and have varying capabilities in others. A few vendors are strong in three or four components. In most cases, buyers will need to make some compromises on component functionality in order to commit to a suite — often by focusing on the functionality they need to replace first, and betting that the vendor will continue to enhance the capabilities of other modules so that they can be implemented during a subsequent phase. Most vendors have not yet built out compelling workforce planning components, and compensation adoption is substantially less pervasive than other component adoption. This is partly because many organizations have complex compensation processes, and partly because most vendors have not developed sufficient flexibility and robustness in their offerings to handle that complexity. We expect the Leaders and Visionaries to differentiate over time, by delivering consistently competitive capabilities across the breadth of the suite.

The TM Suite Is Giving Way to the HCM Suite, but Specialty Solutions Will Persist

Over the years, we have witnessed vendors increasing the breadth of their TM suite offerings, through either development or acquisition, and the concomitant increase in the average number of modules purchased by clients. In our client survey for the 2014 update to this Magic Quadrant, the average number of modules per reference customer was 4.5; in 2015, however, that number declined to 3.2. What's happening to cause this decline?

As clients consider replacing or upgrading their core HRMS solutions (the common system of record for employee indicative data), they are increasingly reconsidering their TM software landscape as part of this decision process — to reap the benefits of vendor consolidation, integrated user experience, integrated data for reporting and analytics, and more. Many are willing to accept "good enough" TM that is fully integrated into core HR processes in lieu of more robust, but nonintegrated, TM processes. In some cases, the TM capabilities of the HCM suite are themselves best in class, removing or mitigating the trade-off considerations altogether.

Already strong in the midmarket, this trend of "core HR plus talent" on a unified platform is also starting to appear in large complex global enterprises (see "2014 Strategic Roadmap for HCM Technology Investments"). Of the 189 TM suite customers who responded to the reference survey in 2015, 34% were using the TM modules from their core HRMS vendor, up

21% from 2014. Gartner clients already demonstrate increased interest in core HR plus TM suite, driving a shift in the battleground from independent TM suites to broader HCM suites.

At the same time, customers and vendors alike continue to grapple with the impact and implications of the Nexus of Forces (social, mobile, cloud and analytics) on TM (see "Predicts 2015: Nexus of Forces Enables Human Capital Management to Support the Digital Organization"). As a result, customers may consider specialty solutions in areas such as periodic employee/manager performance "check-ins," video-based learning or engagement platforms for recognition moments, to augment capabilities within their HCM or TM suites. Vendors offering solutions that merely automate TM processes will not fare as well as those that combine effectiveness, engagement, insights and action to ensure business impact. Many organizations will deploy HCM suites with integrated TM for most of the processes, but will also keep the separate components that are working today — at least until the contract is up for renewal, at which time they will often review their HCM suite vendor's progress to determine if it is time to add that capability to the integrated suite (see "Best Practices for Developing Pace Layering for Human Capital Management"). Vendor capabilities are evolving rapidly, and the need for specialty solutions must be re-evaluated on a regular basis.

The Nexus Forces Are Mainstreaming

Today's TM suites demonstrate a high degree of leverage of the nexus forces of cloud, mobile, social and analytics. TM functions have led the way in SaaS since the first recruiting solutions emerged more than a decade ago. Gartner estimates that more than 85% of all TM suite deployments are in the cloud, while fewer than 15% are deployed on-premises. Mobile has reached early mainstream adoption, with capabilities for managers, employees, executives and recruiting candidates proliferating across recruiting, performance and learning workflows. Across all TM applications, use of employee and manager self-service averages around 19% (rising as high as 38% for external recruiting scenarios). Planned use of mobile in the future is significant, with survey respondents forecasting doubling or tripling of adoption rates during the next two years. Social adoption has grown as vendor investments in this area have accelerated, most notably in recruiting, performance, learning and overall employee engagement initiatives. Looking forward 12 to 24 months, social use cases in coaching and mentoring, as well as continued growth across learning and performance, will contribute to social adoption growth rates exceeding 40%. Talent analytics are still not widely adopted in the market, but survey respondents report planned growth of 15% to 20% in various areas of workforce intelligence during the next 12 months.

Innovations Propel the Digital Workplace and Engaged Workforces

Across the globe, the roadmaps of vendors delivering workforce-facing applications and suites are replete with initiatives aimed at preparing organizations to succeed in what Gartner calls the "digital workplace," where consumer-like experiences and self-directed actions are paramount for an engaged workforce (see "Create a Digital Workplace to Respond to Critical Changes in the Workforce"). New capabilities are emerging in both specialty and suite offerings, which both augment and reimagine traditional TM processes across learning, performance, goal management, career development, employee recognition, recruiting and more.

For example, a common theme from Gartner client inquiry calls is the desired shift in performance management processes from annual or periodic reviews to more frequent employee check-ins; there is a strong desire to foster better employee/manager communications and broaden it beyond current organizational teams with increased peer-to-peer feedback and engagement. Vendors have advanced performance processes through the addition of more social and informal feedback support, improved goal visibility, and (in a few select cases) by focusing on the dynamics of how successful teams are created and engaged.

Likewise, vendor innovations in learning and development are manifesting through new tools for coaching and mentoring, as well as social and video-based learning. Planned customer adoption in these areas during the next 12 to 24 months is very high, coupled with planned vendor investments that will more than double the usage of mobile in these initiatives in the same time period. We are also seeing the rise in tools or platforms that support the capture and sharing of recognition moments and/or foster wellness or development-based competitions.

Vendor investments in analytics and talent science have also increased dramatically in recent years, as integrated talent suites, in-memory processing, advances in machine-learning algorithms and other factors converge to enable new approaches in descriptive, diagnostic, predictive and prescriptive insights. Career paths are becoming more adaptive as machine learning is used to not only suggest career paths, but also suggest the skills and learning necessary to make the jump from one role to another. Predictive and actionable insights are increasingly available in the form of flight risk analysis, cultural fit, team relatability, new hire performance, talent demand and pipeline planning, learning leadership and more. Today, adoption of predictive analytics stands at roughly 15%, but this number should more than double by 2017 as new capabilities become available through rapid vendor investment.

User Experience Continues to Exhibit a Large Expectation Gap

Despite the many innovations in the user experience, challenges remain. Survey respondents rated ease of use for employees and managers as the most important product criteria (at 6.83) of the 14 separate criteria; however, actual satisfaction scores fall significantly below the given importance level, leaving an 18.4% gap in unmet expectations in this area — the second largest gap of this nature across all product criteria behind reporting. Vendors continue to invest in their user experiences across all roles, including professional (administrative) users, but these findings confirm there is still significant room for improvement. Buyers must evaluate configurability, system performance, integration, mobile, collaboration and other components of product satisfaction in conjunction with the user interface when considering overall user experience.

For Integration Satisfaction, What's Under the Hood Matters

Integration of disparate systems is an oft-cited challenge for organizations and a driver for 62% of buyers of an integrated TM suite. Gartner clients routinely report that challenges with reporting and analytics — achieving a single view of talent, data latency, data quality and ongoing maintenance considerations — are contributors to integration dissatisfaction. Specifically, survey respondents indicated an overall satisfaction level of 5.34 (out of a maximum high score of 7) with the internal and external integration of their TM suite.

When we broke these scores down further between natively developed suites (all functionality developed on a single platform by the vendor) and aggregated suites (a combination of natively developed and acquired functionality across the six primary TM areas), we found the natively developed suites consistently scored higher in integration satisfaction. Specifically, when asked about satisfaction with the integration of the modules within the TM suite, survey respondents ranked natively developed platforms 14.6% higher than aggregated suites. Natively developed platforms also scored more favorably on external integration, garnering satisfaction ratings of 5.7 compared with 5.1 for aggregated suites (that is, 11.8% higher).

When it comes to integrating the TM suite to the core HRMS application — when the two are not natively developed on the same platform — file-based integrations remain the predominant form (66%), while the use of APIs and Web services grew 26%. An increasing number of vendors are now delivering PaaS offerings that include services aimed at

improving both internal and external integration capabilities; five of the 12 vendors in this year's Magic Quadrant deliver a PaaS offering.

ACRONYM KEY AND GLOSSARY TERMS

HCM	human capital management
HRMS	human resources management system
IaaS	infrastructure as a service
PaaS	platform as a service
SMB	small or midsize business
TM	talent management
TM suite	talent management suite

EVIDENCE

In support of this analysis, Gartner conducted an end-user survey of vendors' clients during February and March of 2015, to which 189 organizations responded. All mentions of "survey data" and "reference client survey respondents" throughout this document therefore refer to this survey, unless otherwise noted. Respondents were asked questions spanning TM business drivers, implementation experiences, deployment scope, current and planned functional adoption. They were also asked to rate both the importance of and satisfaction with their vendor's offering in the following key areas, all of which informed the customer experience scores for each vendor.

Product Satisfaction:

- Product quality
- System performance
- Ease of use for professional users
- Ease of use for employees and managers
- System administration/configuration/workflow
- Reporting
- Workforce analytics
- Mobile support
- Social/collaboration
- Integration within the TM suite
- Integration of the TM suite with other applications
- Ability to customize or extend the application
- Documentation with the solution
- Training made available

Vendor-Customer Relationship Satisfaction:

- Experience through the sales process
- Initial implementation and deployment

- Handover from implementation to support
- Ongoing communication and support
- Additional deployments and upgrades
- After-sales care
- Account management
- Enhancement request processes

EVALUATION CRITERIA DEFINITIONS

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.